

## Yen's Surge Alters Face of Asia

### Race to Be the 'Next Japan' Brings New Wealth, Alliances

By Nicholas D. Kristof

New York Times Service

HONG KONG — The surge in the value of the Japanese yen is changing Asia, altering long-time alliances and bringing new prosperity from Taiwan to Thailand.

Two years ago, as American officials plotted to lower the value of the U.S. dollar and raise the value of the yen, their main goal was to reduce the enormous U.S. trade deficit. That has not happened so far, but within Asia the consequences have already been immense.

"The effects of the yen's appreciation are being felt in every economy in the region," said T.C. Thompson, 3d, chief economist of Wardley Investment Services in Hong Kong.

"The appreciation of the yen," he added, "has thrown open the doors to manufacturing industries throughout Asia, enabling them to sell both to Japan and to Japan's traditional export markets abroad."

Some industries, such as shipbuilding, aluminum production and manufacture of small electronic goods, are leaving Japan, perhaps for good.

The electronics giant Sony Corp., for example, said this month that it was considering moving 25 percent of its production capacity out of Japan to address the financial problems posed by the rising yen. And in the first quarter of this year South Korea for the first time surpassed Japan in orders to build new ships.

A number of Asian nations are scrambling to snatch industries from Japan and attract its investment capital. The race is on to become the next Japan.

"Looking at the past 30 or 40 years, Japan took over the U.S. function in the world economy: manufacturing," said Arthur A.

Odake, the chairman of Mitsubishi Corp.'s Hong Kong subsidiary. "Now it is Japan's turn to give up this role, with Korea and Taiwan taking over our function."

The yen has appreciated about 80 percent against the dollar since its trough on Feb. 22, 1985.

That means that a Japanese color television set with an average export price of about \$400 now would have cost \$152 at the yen's low point. Assuming manufacturers passed on the entire increase to consumers, at today's exchange rate of about 143 yen to the dollar, the same television would be about \$280, or twice the \$140 average export price of a Korean color TV.

The results of the yen's rise are manifold:

By far the biggest beneficiaries have been Asia's four newly industrializing countries: Hong Kong, Singapore, South Korea and Taiwan.

Even before the yen's surge, their wage rates were lower and they were steadily increasing exports and technical skills. But it was the yen's rise that gave these countries the opportunity to nab market share so quickly.

The four nations are enjoying a boom in exports because many of their products are similar to Japan's but are relatively cheaper because of exchange rates. The result has been extremely rapid economic growth, averaging more than 9 percent this year, up from a bit more than 2 percent growth in 1985, when the yen hit its low point.

A flood of Japanese capital is being spent on property and fac-

ilities abroad, as Japanese companies look for cheaper places to locate manufacturing. Japan's direct investment overseas in the last quarter of 1986 exceeded the figure for all of 1985.

After long complaining — as bitterly as U.S. exporters — that Japan was effectively a closed market, most Asian countries are finding that they finally can sell in Japan, as their goods drop in price compared with Japanese products. Hong Kong's exports to Japan, for example, soared 74 percent in the second quarter of this year over last year's levels.

As it seeks cheaper alternatives to Japanese suppliers, China is doing a booming business with Taiwan and South Korea, even though it has diplomatic relations with neither.

Although manufacturing has increased in many Asian countries, it is most pronounced in the four newly industrialized countries.

Last year they together produced more color televisions than Japan, and this year Korea is shipping more televisions to the United States than Japan. Likewise, Korean production of videocassette recorders has surged from 1.4 million units in 1985 to around 6 million this year, most destined for the United States.

The figures are similar for other products such as microwave ovens and semiconductors.

These waves of exports are the main reason for the phenomenal economic growth that the countries are enjoying.

In the first half of this year, for instance, South Korea's economy grew at annual rate of 15 percent, compared with 3.5 percent in the United States and about 3.5 percent in Japan.

From January to June South Korea recorded a \$4.1 billion surplus on its current account, the broadest measure of trade flows, compared with just \$452 million in the like period last year.

Such surpluses mean that countries are overflowing with cash. Taiwan, for example, has official foreign exchange reserves of \$62 billion, among the largest in the world. Those reserves make it difficult for Taiwan to argue that it cannot afford to open its markets.

Taiwan already is making it easier for its people to move capital abroad, partly to reduce its reserves. South Korea also is easing restrictions on its securities market.

See VEN, Page 11



Striking Daewoo Shipyard and Machinery Ltd. workers demonstrating Sunday outside the hospital where a fellow worker died. The young worker had been hit by part of a tear gas grenade during labor unrest on the island of Koje.

## Action in Gulf and Reaction at Home

### Sent U.S. Fleet to 41 Combat Ships

By Stephen Engelberg

New York Times Service

WASHINGTON — President Ronald Reagan decided in March to protect Kuwait's oil tankers in the Gulf after being told by his senior cabinet advisers that it could be done without any increase in U.S. naval forces there, according to administration officials.

A reconstruction of the decision and its consequences up to now, based on interviews with dozens of officials at the White House, the State Department and the Pentagon, shows that the policy makers considered few alternatives and did not see the move as momentous.

They believed that the Iraqis would not attack American targets because plans did not call for a change in the number of U.S. Navy ships in the Gulf.

The navy had only four vessels in the Gulf and, on occasion, a five-ship battle group nearby. By last

week, the United States had decided to send 41 combat ships to the region.

The officials said that when the frigate Stark was struck by Iraqi missiles in May, it was felt that the United States could not break its

U.S. officials say Saudi Arabia has agreed to expand support for U.S. aircraft. Page 3.

promise to escort Kuwaiti ships without seriously damaging U.S. interests in the region.

After the Stark incident, however, Congress reacted sharply against the plans to protect the Kuwaiti tankers and the military demanded many more ships.

Some officials contend that it was this combination of congressional unease, plans for a vastly larger fleet in the Gulf and press coverage that raised the pressures on Iran to retaliate.

The Gulf operations, admini-

## U.S. in Gulf For 'as Long As Needed'

United Press International

WASHINGTON — Richard W. Murphy, assistant secretary of state for Near Eastern and South Asian affairs, said Sunday that the increasing U.S. military presence in the Gulf would continue "as long as it is needed."

Mr. Murphy declined to suggest a withdrawal time for the fleet, saying: "It has been there to protect our interest in the Gulf; it'll stay there to protect our interest."

On an NBC television program, Mr. Murphy said of the U.S. commitment in the Gulf: "I don't think it's open-ended. I don't think that the war is going to endure all that long."

"For 40 years we've had the U.S. naval presence in the Gulf, on the order of five, six warships in the Gulf since the end of the second war," he said. "For 200 years we've accepted the responsibility of escorting American flag vessels when there was a need. So this is not a new presence in the Gulf; it is not a new policy for the United States."

The United States now has 41 ships in the Gulf.

Mr. Murphy said he hoped that Mohammed Jawad Larjani, the Iranian deputy foreign minister for international affairs, who is scheduled to meet at the United Nations with Secretary-General Javier Perez de Cuellar, "has come to New York in order to signify very clearly to the secretary-general" that Iran "accepts Resolution 598 of the Security Council."

See GULF, Page 5

See KOREA, Page 5

## Kiosk

### MX Guidance Called Flawed

WASHINGTON (AP) — The guidance system on the MX nuclear-tipped missile has had so many problems that there are "serious questions of confidence" in the 22 weapons already deployed, the House Armed Services Committee said Sunday.

A committee report criticized the air force and the Northrop Corp., which built the guidance system. But an air force spokesman said in response that there was "no question" about the capability of the missile system. "Its accuracy has been demonstrated in 17 test flights," the spokesman said.

### Ex-Auto Driver Killed In Powerboat Race

POOLE, England (AP) — Didier Pironi, 35, a former Formula One motor racing driver, was one of three Frenchmen killed Sunday near the Isle of Wight in an international powerboat race, organizers said.

The two other victims were identified by the organizers, the Royal Motor Yacht Club in Poole, as Bernard Giroux, a motor racing commentator for French television, and Jean-Claude Guenard, the second driver in the boat.

## FAA Seeks To Regain Public Trust

Compiled by Our Staff From Dispatches

WASHINGTON — The head of the Federal Aviation Administration said Sunday that public confidence in airline safety must be recaptured following the crash of a Northwest Airlines plane last week and a rash of other recent incidents and near-collisions.

T. Allan McArtor, who took over as administrator of the agency in July, said that he disliked the term "cockpit complacency" but that he was worried about a drop in "routine professionalism" among airline crews. He did not elaborate.

Mr. McArtor, appearing on an ABC News television program, said he would meet Thursday in Kansas City, Missouri, with the chief pilots of all major U.S. airlines to discuss safety issues. Soon after taking over the FAA, Mr. McArtor requested a complete re-assessment of pilot training.

"Our system is designed to be extraordinarily safe," Mr. McArtor said. "But we've got to recapture the public confidence in our aviation system."

"I personally don't measure safety by the absence of accidents. I measure it by the exposure to risk. We've got to continually try to reduce our exposure to risk."

Mr. McArtor said that before the crash in Detroit on Aug. 16 in which 156 people died, 800 million passengers had flown on 12,000 scheduled U.S. flights for nearly two years without a fatality.

He said the Detroit crash "renewed my commitment to make sure these will not happen in the future."

Asked if pilot error caused the crash in Detroit, Mr. McArtor said: "We don't know. It could have been pilot error."

John Thornton, national coordinator of the National Air Traffic Controllers Association, said the system was safe but added that there were three danger signals that must be heeded.

Speaking on the same program, he cited the "increase in near-miss reporting" and an "increase in system errors." He also said that "we have an air-traffic control system that requires 800,000 to 900,000 hours of overtime to staff the facilities."

"Now is the time to get involved," he said, "to start hiring more air-traffic controllers, get them trained, get them into the facilities where they need to be. The

See AIRCRAFT, Page 2



Neo-Nazis Converge on Site of Hess Burial

Visitors, standing Sunday outside the cemetery in Wunsiedel, West Germany, where Rudolf Hess is to be buried on Wednesday. Only local residents were allowed inside by police, who have detained 88 people in the last two days as hundreds of neo-Nazis and other radicals began gathering for the interment of the Nazi leader. Hess died Wednesday after 41 years in prison.

See VEN, Page 11

See POLICY, Page 5

See KOREA, Page 5

See GULF, Page 5

See BUGS, Page 5

See REAGAN, Page 5

See AIRCRAFT, Page 2

See POLICY, Page 5

See KOREA, Page 5

See GULF, Page 5

See BUGS, Page 5

See REAGAN, Page 5

See AIRCRAFT, Page 2

See POLICY, Page 5

See KOREA, Page 5

See GULF, Page 5

See BUGS, Page 5

See REAGAN, Page 5

See AIRCRAFT, Page 2

See POLICY, Page 5

See KOREA, Page 5

See GULF, Page 5

See BUGS, Page 5

See REAGAN, Page 5

See AIRCRAFT, Page 2

See POLICY, Page 5

See KOREA, Page 5

See GULF, Page 5

See BUGS, Page 5

See REAGAN, Page 5

See AIRCRAFT, Page 2

See POLICY, Page 5

See KOREA, Page 5

See GULF, Page 5

See BUGS, Page 5

See REAGAN, Page 5

See AIRCRAFT, Page 2

See POLICY, Page 5

See KOREA, Page 5

See GULF, Page 5

See BUGS, Page 5

See REAGAN, Page 5

See AIRCRAFT, Page 2

See POLICY, Page 5

See KOREA, Page 5

See GULF, Page 5

See BUGS, Page 5

See REAGAN, Page 5

See AIRCRAFT, Page 2

See POLICY, Page 5

See KOREA, Page 5

See GULF, Page 5

See BUGS, Page 5

See REAGAN, Page 5

See AIRCRAFT, Page 2

See POLICY, Page 5

See KOREA, Page 5

See GULF, Page 5

See BUGS, Page 5

See REAGAN, Page 5

See AIRCRAFT, Page 2

See POLICY, Page 5

See KOREA, Page 5

See GULF, Page 5

See BUGS, Page 5

See REAGAN, Page 5

See AIRCRAFT, Page 2

See POLICY, Page 5

See KOREA, Page 5

See GULF, Page 5

See BUGS, Page 5

See REAGAN, Page 5

See AIRCRAFT, Page 2

See POLICY, Page 5

See KOREA, Page 5

See GULF, Page 5

See BUGS, Page 5

See REAGAN, Page 5

See AIRCRAFT, Page 2

See POLICY, Page 5

See KOREA, Page 5

See GULF, Page 5

See BUGS, Page 5

See REAGAN, Page 5

See AIRCRAFT, Page 2

See POLICY, Page 5

See KOREA, Page 5

See GULF, Page 5

See BUGS, Page 5

See REAGAN, Page 5

See AIRCRAFT, Page 2

See POLICY, Page 5

See KOREA, Page 5

See GULF, Page 5

See BUGS, Page 5

See REAGAN, Page 5

See AIRCRAFT, Page 2

See POLICY, Page 5

See KOREA, Page 5

See GULF, Page 5

See BUGS, Page 5

See REAGAN, Page 5

See AIRCRAFT, Page 2

See POLICY, Page 5

See KOREA, Page 5

See GULF, Page 5

See BUGS, Page 5

See REAGAN, Page 5

See AIRCRAFT, Page 2

See POLICY, Page 5

See KOREA, Page 5

See GULF, Page 5

See BUGS, Page 5

See REAGAN, Page 5

See AIRCRAFT, Page 2

See POLICY, Page 5

See KOREA, Page 5

See GULF, Page 5

See BUGS, Page 5

See REAGAN, Page 5

See AIRCRAFT, Page 2

See POLICY, Page 5

See KOREA, Page 5

See GULF, Page 5

See BUGS, Page 5

See REAGAN, Page 5

See AIRCRAFT, Page 2

See POLICY, Page 5

See KOREA, Page 5

See GULF, Page 5

See BUGS, Page 5

See REAGAN, Page 5

See AIRCRAFT, Page 2

See POLICY, Page 5

See KOREA, Page 5

See GULF, Page 5

See BUGS, Page 5

See REAGAN, Page 5

See AIRCRAFT, Page 2

See POLICY, Page 5

See KOREA, Page 5

See GULF, Page 5

See BUGS, Page 5

See REAGAN, Page 5

See AIRCRAFT, Page 2

See POLICY, Page 5

See KOREA, Page 5

See GULF, Page 5

See BUGS, Page 5

See REAGAN, Page 5

See AIRCRAFT, Page 2

See POLICY, Page 5

See KOREA, Page 5

See GULF, Page 5

See BUGS, Page 5

See REAGAN, Page 5

See AIRCRAFT, Page 2

See POLICY, Page 5

See KOREA, Page 5

See GULF, Page 5



## Anglo American Corp. Vows to Dismiss 16,000

**Reuters**  
JOHANNESBURG — The mine strike in South Africa went into its third week Sunday with 16,000 more black workers facing dismissal.

The confrontation between black workers and the white-owned companies intensified when the National Union of Mineworkers announced that its members would not yield to a threat to carry out the biggest dismissal of the dispute.

Anglo American Corp. said it would fire 16,000 men at four of its gold mines if they did not report for work Monday.

Marcel Golding, a union official, said, "The men have decided not to accept the ultimatum."

The National Union of Mineworkers ordered the strike by about 300,000 workers to back demands for higher pay and improved working conditions.

An estimated 11,000 strikers have already been dismissed. Over the weekend, groups of dismissed workers left for their homes in tribal homelands or neighboring black states.

Anglo American is threatening to close one gold mine shaft at Western Holdings in Orange Free State, the world's largest gold mining complex. It is also threatening to close two other shafts, at Sasep and Vaal Reef.

The mining industry accounts for more than 60 percent of South Africa's export income.

The Labor Monitoring Group, an independent organization that monitors labor developments, estimated that three of the biggest mining companies had so far lost 190 million rand (\$95 million) in pretax profits.

Their report said it was probably costing the three companies — Anglo American, Gemcor and Johannesburg Consolidated Investments — more in lost profits than it would cost to meet the union's wage demands.

Mr. Golding said that the union had not expected the dispute to last two weeks. "There is no predicting how long it is going to take now," he said.

The union, striving to close the big gap between the pay of black and white miners, is seeking a 30-percent wage increase.

**Hertz to Divest**  
Hertz Corp., a U.S. car rental company, announced that it would pull out of South Africa over the next 18 months and would transfer its operations to a local company, Agence France-Press reported from Johannesburg.

A Hertz statement Saturday said the company would turn over its operations to Imperial Car Hire and that the Hertz name would be dropped.

Since 1984 more than 100 U.S. firms, including International Business Machines Corp. and General Motors Corp., have pulled out of South Africa because of anti-apartheid pressure.

The newspapers said the workers had set up a strike committee and had complained at a meeting that, with an average monthly wage of 100,000 dinars (about \$130) they could not make ends meet.

**Thousands Strike Yugoslav Factory, Seek 100% Raise**

**BELGRADE** — Thousands of workers, calling for a 100-percent pay increase and cuts in administrative staff, have gone on strike at one of the largest factories in Yugoslavia, Belgrade newspapers have reported.

The strike in the footwear and rubber products factory in the northern town of Borovo began on Wednesday when 250 workers in one part of the factory stopped work. About 4,000 others, out of a total work force of 23,000, joined the stoppage on Friday.

The latest official figures put the annual inflation rate in Yugoslavia at 105.5 percent, but economists say that sharp increases in the prices of bread, meat and other foods in recent days have pushed the rate much higher.

The newspapers said the workers had set up a strike committee and had complained at a meeting that, with an average monthly wage of 100,000 dinars (about \$130) they could not make ends meet.

**Rescue Fails in Bangladesh**

**DHAKA, Bangladesh** — Thirty-one persons were missing and feared drowned Sunday after a boat, which had rescued villagers marooned by flooding, capsized in western Bangladesh, press reports said. The boat sank Saturday after picking up flood victims in the western district of Naogaon, the reports said.

**SKIDDING TO SAFETY** — Several persons were slightly injured using the emergency chutes after a Trans World Airlines jet with a jammed right landing gear was diverted

from an airport in St. Louis, Missouri, to nearby Scott Air Force Base, where it landed safely on its two remaining sets of wheels. There were 164 people aboard the Boeing 767.

**AIRCRAFT: FAA Cites Need to Regain Public Confidence in Safety**

(Continued from Page 1)

The plans to restrict traffic at more airports were immediately criticized by the Aircraft Owners and Pilots Association, private aviation's main trade group.

Dismissing the plans as "pitiful," John L. Baker, president of the group, charged that the rules would increase delays without having a significant impact on air safety.

Mrs. Dole's announcements followed a period of study by government and industry officials of ways to reduce the risk of collisions, which have been the chief air safety issue since an Aeromexico DC-9 collided with a small plane over Los Angeles suburb in August 1986, killing 52 people.

During a two-week period in January, there were three midair collisions, two involving small airplanes. Two pilots reported an average of 25 near-collisions a month in the first half of 1987, an increase of 50 percent over the same part of the previous year.

Increasing the number of restricted airports and requiring the installation of collision warning devices are among the solutions most favored by government experts. But these measures do not take into account the scores of small U.S. airports.

Mrs. Dole said the FAA will soon propose that these nine airports be added to the list of restricted fields: Dulles International near Washington; Baltimore-Washington International; Charlotte-Douglas International in North Carolina; Tampa International and Orlando International in Florida; Memphis International in Tennessee; Salt Lake City International in Utah; William P. Hobby in Houston; and Phoenix Sky Harbor International in Arizona.

Restricted status means that all pilots must receive permission from air traffic controllers before flying within a certain distance and altitude of the airport. The pilot must then obey commands from controllers to reduce the risk of collision. Restricted zones range up to 30 miles in radius, and up to 12,500 feet in altitude.

**Near-Collisions in U.K.**  
Near-collisions by aircraft in Britain rose to record levels in the last four months of 1986, the Observer newspaper said Sunday as reported by Reuters in London.

Quoting a report by the National Air Traffic Services, which oversees civilian and military air traffic control, said 57 near-collisions were reported in the last quarter of 1986, compared with 44 the year before.

**U.S. Air Travelers Appear Unfazed by Rash of Mishaps**

**NEW YORK** — U.S. air travelers seem to have taken in stride the recent rash of near-collisions and off-course planes, as well as the fatal crash of a Northwest Airlines jetliner near Detroit. Consoling themselves with reasoning ranging from fatalism to calculations on the risks of flying and driving, travelers at airports in five cities indicated last week that they were unlikely to change their travel plans.

Their comments reflected a high degree of awareness about the more dramatic incidents, however, and many passengers could cite details of investigations into them. Some said they would probably avoid DC-9 planes for a while. The jet that crashed Aug. 16 was an updated version of the DC-9.

Some suggested that it was safer to fly after a serious accident. Jeff Stephens, 29, a publishing company sales representative, noting that safety consciousness seemed sharpest after an accident, said: "If years go by without an airline disaster, a sense of complacency sets in."

"Marina is my remedy," said William E. Mahoney, 44, an insurance broker. Referring to the powerful air currents cited in several crashes in recent years, he added: "I find myself thinking about wind shear, and six months ago I couldn't even spell it."

## Dialogue Reaffirms U.S.-Sweden Ties

By Steve Lohr  
New York Times Service

**STOCKHOLM** — The United States is Sweden's second-largest trade partner, thanks to brands like Volvo, Saab and Electrolux. Most Swedes have relatives in America, and Swedes speak American English, watch American movies, read American books and listen to American music.

Despite the close cultural and economic ties, however, political relations between the two nations have at times been acrimonious, floundering over the years on such issues as Vietnam, Nicaragua and disarmament.

Recently, relations have improved markedly — a fact that will be formally underlined early next month when Prime Minister Ingvar Carlsson goes to Washington for the first state visit to the United States by a Swedish prime minister in 26 years.

"The relationship has been transformed," said Gregory J. Newell, the U.S. ambassador to Sweden. "We've replaced public crossfire with sitting down for a reasoned dialogue."

Both governments stress that the invitation to Mr. Carlsson is not a personal one and that the process of mending diplomatic relations between Sweden and America began shortly before he became prime minister, following the still-unresolved assassination of Olof Palme on Feb. 28, 1986.

Yet, most political observers here agree that Mr. Carlsson's more restrained style and over-

riding concern with domestic issues has eased the diplomatic reconciliation with Washington. The flamboyant Mr. Palme, by contrast, was known for his fiery rhetoric and a preference for the international arena, leading anti-Vietnam rallies and sharing the speakers' platform with Nicaraguan leaders.

"With Carlsson, the tone has changed somewhat and that has helped smooth relations with Washington," observed Norder Akerman, a director of the Swedish Institute of International Affairs, a government-supported research organization.

But while the style and presentation may have changed, Swedish policies generally have not. In an interview, Mr. Carlsson noted that differences between the United States and Sweden re-

main, particularly over American policy toward Nicaragua.

"We think the U.S. is breaking international law," he said, "and we regret the support of the contract."

"So there are areas where we still disagree," Mr. Carlsson added, "but this will not prevent a dialogue."

Noting that the 26-year gap between state visits is a long interval for "friendly nations," the prime minister observed that "the normal situation is that we should have good relations."

American officials emphasize that Mr. Carlsson's trip to Washington on Sept. 9 is "not a tickle-punching visit," but will include a state dinner and ceremony on the White House south lawn, in addition to discussions with President Ronald Reagan, Secretary of State George P. Shultz and other top officials.

Of the Washington trip, Mr. Carlsson said, "For me, it's of great importance."

Of particular interest to Sweden — a neutral nation that campaigns internationally for disarmament — are the negotiations between the United States and the Soviet Union aimed at eliminating medium-range nuclear weapons in Europe.

A superpower pact on medium-range missiles, Mr. Carlsson said, would "be an enormous step forward," which would likely enhance the image of the Reagan

administration in Sweden and in much of Europe.

"That would create a feeling of optimism not seen in many years," Mr. Carlsson said, noting that he hoped an agreement on medium-range forces would then lead to further steps toward disarmament.

"Here in Sweden and Europe," he said, "we would like to see a corridor free of a nuclear battlefield."

On bilateral issues, perhaps the best example of Stockholm's closer working relationship with Washington was a Swedish government decree in June 1986 to restrict the re-export of foreign high-technology equipment that has military uses. In the past, Swedish companies have been fined for selling sophisticated American equipment to the Eastern bloc.

Moreover, the Swedish decree has been rigorously applied, according to Mr. Newell, the American ambassador. Shipments of American high-speed computer and telecommunications components from Sweden had been stopped and turned back by customs officials in recent months, Mr. Newell said, without mentioning the names of Swedish companies involved.

In return, the U.S. Defense Department removed Sweden last spring from its "review list," and in May the Commerce Department announced that it would simplify controls on American high-technology exports to Sweden.



Ingvar Carlsson

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**Taiwan May Approve Visits to China**

**TAIPEI (AP)** — A newspaper in Taiwan reported Sunday that the government is expected to give its approval to citizens of Taiwan entering China from third countries on family visits.

The newspaper United Daily News said the authorities agreed months ago to facilitate the family reunions, saying the visits did not conflict with the government's policy of no contact with Beijing. Taiwan will either announce regulations governing the visits or unofficially approve the visits next month, according to the report.

The newspaper also said Taiwan was considering the possibility of arranging the visits through international organizations, such as the Red Cross. Taiwan residents now commonly visit their relatives in China through third countries, although the visits are officially forbidden.

**Shots Fired at California Patrol Car**

**SACRAMENTO, California (UPI)** — A California Highway Patrol officer became the latest person to be shot at on California highways when a gunman in a pickup truck fired four or five shots at his patrol car, it was reported Sunday.

A spokesman for the California Highway Patrol, Richard Perez, said that the shots fired Saturday night missed the patrol car. The officer chased the truck and arrested three men a few minutes later. The incident happened on the Sierra Highway about 28 miles (about 45 kilometers) north of Los Angeles.

Three persons have been killed and eight wounded in at least 42 roadway shootings in southern California since June 18. In an effort to control the violence, Governor George Deukmejian proposed on Saturday a \$29 million increase in the Highway Patrol's budget to add 150 officers and to provide for overtime pay.

**UN Conference Opening Without U.S.**

**WASHINGTON (NYT)** — A United Nations conference is opening Monday in New York without the participation of the United States, which is boycotting it. The conference is to examine how money saved by disarmament could stimulate economic development, particularly in the Third World.

The United States is refusing to attend because it considers disarmament and development separate issues and rejects any suggestion that developing nations have a claim on money that might be freed by cuts in Western military spending.

So far, 128 countries, including all the other members of the North Atlantic Treaty Organization and the members of the Warsaw Pact, have agreed to attend the three-week International Conference on the Relationship Between Disarmament and Development.

**Polisario Says It Downed Morocco Jet**

**ALGIERS (AFP)** — The Polisario Front, fighting Morocco for control of the Western Sahara, said here Sunday that its guerrillas downed a Moroccan F-5E jet and killed 195 troops in a four-hour assault Friday.

The attack broke through a Moroccan defensive wall on the southern front of the Western Sahara at Adhem-Oum Eloum in the Aousser region, a Polisario communiqué said. It said 35 Moroccan were taken prisoner and a large amount of heavy weaponry was destroyed or captured.

The operation was the biggest by the Algerian-backed Polisario in more than a month. A four-day offensive begun July 9 was aimed at the same barrier, erected by Morocco in an effort to cut the Polisario off from the Atlantic Ocean.

**Barcelona Air Controllers End Strike**

**PALMA DE MAJORCA, Spain (Reuters)** — A 24-hour strike by Spanish air traffic controllers in Barcelona ended Sunday but the country's busiest summer airport, Palma de Majorca, was still in chaos.

Thousands of vacationers, mostly West Germans and Britons, were still waiting for flights that had been delayed Saturday. Of the Spanish Mediterranean airports, Palma was the worst hit by the strike, which was called over a pay dispute. Another strike has been called for next Sunday.

"It's chaos here," said a spokesman for a West German charter company, Lufthansa Condor. "It looks like a refugee camp." Several charter companies said that the traffic flow through the Barcelona control area was not yet improving and that flights would be disrupted until Monday.

As oil slick about a mile long has washed up on a beach near Cádiz in southwestern Spain, covering bathes, sailboats and small boats in tar, the authorities said Sunday. Swimmers were advised not to go in the water until a cleaning operation had ended.

**This Week's Holidays**  
Banking hours and government services will be closed or curtailed in the following countries and their dependencies this week because of national and religious holidays:

**MONDAY:** Liberia, Romania.  
**TUESDAY:** Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Paraguay, Syria, Uruguay.  
**WEDNESDAY:** Indonesia, Malaysia.  
**SATURDAY:** Hong Kong.  
**SUNDAY:** Turkey.

Source: Morgan Guaranty Trust Co. Reuters.

## WORLD BRIEFS

### U.S. Denies Report on Gorbachev Visit

**SANTA BARBARA, California (Reuters)** — The White House denied on Sunday a report that Mikhail S. Gorbachev, the Soviet leader, planned to attend the United Nations General Assembly meeting late next month in New York and then go to Washington to meet with President Ronald Reagan.

In a report from Washington, the Los Angeles Times quoted sources as saying that if an agreement were reached beforehand in the talks on banning medium- and shorter-range nuclear missiles in the United States. But would sign an arms accord at a summit meeting in the United States. Mr. Gorbachev is still prepared to visit Washington to negotiate an agreement with Mr. Reagan, the sources were quoted in the paper as saying.

"We don't have any knowledge of any such plan," a White House spokesman said in Santa Barbara, where Mr. Reagan is vacationing.

### Taiwan May Approve Visits to China

**TAIPEI (AP)** — A newspaper in Taiwan reported Sunday that the government is expected to give its approval to citizens of Taiwan entering China from third countries on family visits.

The newspaper United Daily News said the authorities agreed months ago to facilitate the family reunions, saying the visits did not conflict with the government's policy of no contact with Beijing. Taiwan will either announce regulations governing the visits or unofficially approve the visits next month, according to the report.

The newspaper also said Taiwan was considering the possibility of arranging the visits through international organizations, such as the Red Cross. Taiwan residents now commonly visit their relatives in China through third countries, although the visits are officially forbidden.

### Shots Fired at California Patrol Car

**SACRAMENTO, California (UPI)** — A California Highway Patrol officer became the latest person to be shot at on California highways when a gunman in a pickup truck fired four or five shots at his patrol car, it was reported Sunday.

A spokesman for the California Highway Patrol, Richard Perez, said that the shots fired Saturday night missed the patrol car. The officer chased the truck and arrested three men a few minutes later. The incident happened on the Sierra Highway about 28 miles (about 45 kilometers) north of Los Angeles.

Three persons have been killed and eight wounded in at least 42 roadway shootings in southern California since June 18. In an effort to control the violence, Governor George Deukmejian proposed on Saturday a \$29 million increase in the Highway Patrol's budget to add 150 officers and to provide for overtime pay.

### UN Conference Opening Without U.S.

**WASHINGTON (NYT)** — A United Nations conference is opening Monday in New York without the participation of the United States, which is boycotting it. The conference is to examine how money saved by disarmament could stimulate economic development, particularly in the Third World.

The United States is refusing to attend because it considers disarmament and development separate issues and rejects any suggestion that developing nations have a claim on money that might be freed by cuts in Western military spending.

So far, 128 countries, including all the other members of the North Atlantic Treaty Organization and the members of the Warsaw Pact, have agreed to attend the three-week International Conference on the Relationship Between Disarmament and Development.

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## TRAVEL UPDATE

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**SUNDAY:** Turkey.

Source: Morgan Guaranty Trust Co. Reuters.

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## U.S. Officials Say Saudis Agree to More Support For U.S. Planes in Gulf

By John M. Goshko and Jeffrey R. Smith

WASHINGTON — Saudi Arabia has agreed to provide expanded landing rights and refueling support for U.S. aircraft engaged in Gulf military operations, according to U.S. officials and diplomatic sources.

Some sources also said that Kuwait, formerly the strongest opponent among Arab states of superpower military involvement in the Gulf, had offered refueling aid for U.S. planes involved in the navy escort of Kuwaiti tankers under U.S. registry.

## U.S. Presses For Improved Ties to Syria

By Neil A. Lewis

WASHINGTON — The Reagan administration is engaged in an intensive effort to improve relations with Syria, according to U.S. officials, who cited Syria's significant influence over events in the Middle East.

A fresh indication of the effort is a letter sent last week by Secretary of State George P. Shultz to the Syrian government thanking it for its efforts to bring about the release of Charles Glass, the American journalist who gained freedom from captivity as a hostage in Lebanon on Wednesday.

Vernon A. Walters, the chief U.S. delegate to the United Nations, already had telephoned a message of thanks to President Hafez al-Assad of Syria, according to State Department officials.

President Ronald Reagan also sent Mr. Assad a message expressing appreciation for help in securing freedom for Mr. Glass, the Syrian news agency SANA reported.

The eagerness to credit Syria with a role in Mr. Glass's release is occurring even though officials acknowledge they are unsure if Syria played any role in the event. There is a lively discussion among some officials over the plausibility of Mr. Glass's assertion that he escaped without any intervention.

But U.S. officials say they are confident Syria made great efforts to see that Mr. Glass was freed. "It is very interesting that he was the only one about whom the Syrians felt very strongly and he is the only one who happened to escape," an official said, suggesting a link.

The Syrians were especially eager to have Mr. Glass released because he was the only U.S. hostage to have been abducted after Damascus moved troops into West Beirut on Feb. 22. The Syrian authorities said they treated the abduction as "an unacceptable challenge" and asserted control of the region.

The United States also is sending its ambassador, William L. Eagleton Jr., back to Damascus next month. Mr. Eagleton was withdrawn on Oct. 4 in a show of support for Britain, which accused Syria of complicity in an attempt to place a bomb on an Israeli jetliner in London in April 1986.

Officials were emphatic that the decision to return the ambassador was undertaken before Mr. Glass's release. But it is noteworthy, according to officials and diplomats, that Washington will be returning its ambassador while London has made no move to restore normal relations with Syria.

The U.S. campaign to improve ties to Syria began with a letter to Mr. Assad from Mr. Reagan in June. An official said that, although the letter discussed the issues of hostages and terrorism, Mr. Reagan emphasized Syria's role in other Middle East issues, such as its influence in the Gulf war and the Arab-Israeli peace process.

Other sources, however, said that while the United States had held recent talks with Kuwait they were not sure if any understanding had been reached.

As described by the sources, the understanding with Saudi Arabia would go beyond the arrangement under which four U.S. advanced radar-surveillance planes and three aerial tankers have operated from Riyadh since 1980.

The sources said the Saudis, previously unwilling to extend landing rights to U.S. combat planes, would allow carrier-based jet fighters and anti-submarine planes to land for refueling and other logistical aid under what the sources called "emergency" conditions or "in case of need."

According to the sources, the circumstances under which the ban on combat aircraft would be relaxed are deliberately being kept vague and are likely to be decided case by case.

One administration official said the rules would be dictated by various "operational situations" that might confront the planes if they became involved in confrontations with Iranian forces or other emergencies.

The situation is "more accurately described as an understanding rather than a concrete agreement in the sense of a document with signatures on it," a U.S. official said.

"If one gets too explicit about these arrangements," the official said, "they are likely to disappear."

That was a reference to domestic and foreign concerns that for years caused the six Arab kingdoms and sheikhdoms of the Saudi-led Gulf Cooperation Council to spurn U.S. offers of closer military ties.

U.S. officials said the nations were fearful of provoking retaliation from Iran and a desire not to stir up internal nationalist and Moslem fundamentalist forces opposed to overt Western influences in the Arab Gulf countries.

"For that reason, whatever cooperation that has taken place has been conditioned on secrecy," a senior U.S. military official said. "On at least one occasion, an offer of assistance has been withdrawn after it was reported publicly."

The official declined to elaborate on the offer, but other sources said the reference apparently was to a report in The Washington Post in June that Saudi Arabia had agreed to use its Airborne Warning and Control System radar planes to watch U.S.-protected tankers in the southern Gulf.

The sources said the Saudis sought to pull out of the agreement and were coaxed back only after lengthy discussions. [Saudi Arabia has denied the report that it has granted extra landing and refueling facilities to U.S. aircraft involved in Gulf military operations. Agence France-Presse reported Sunday from Riyadh.]

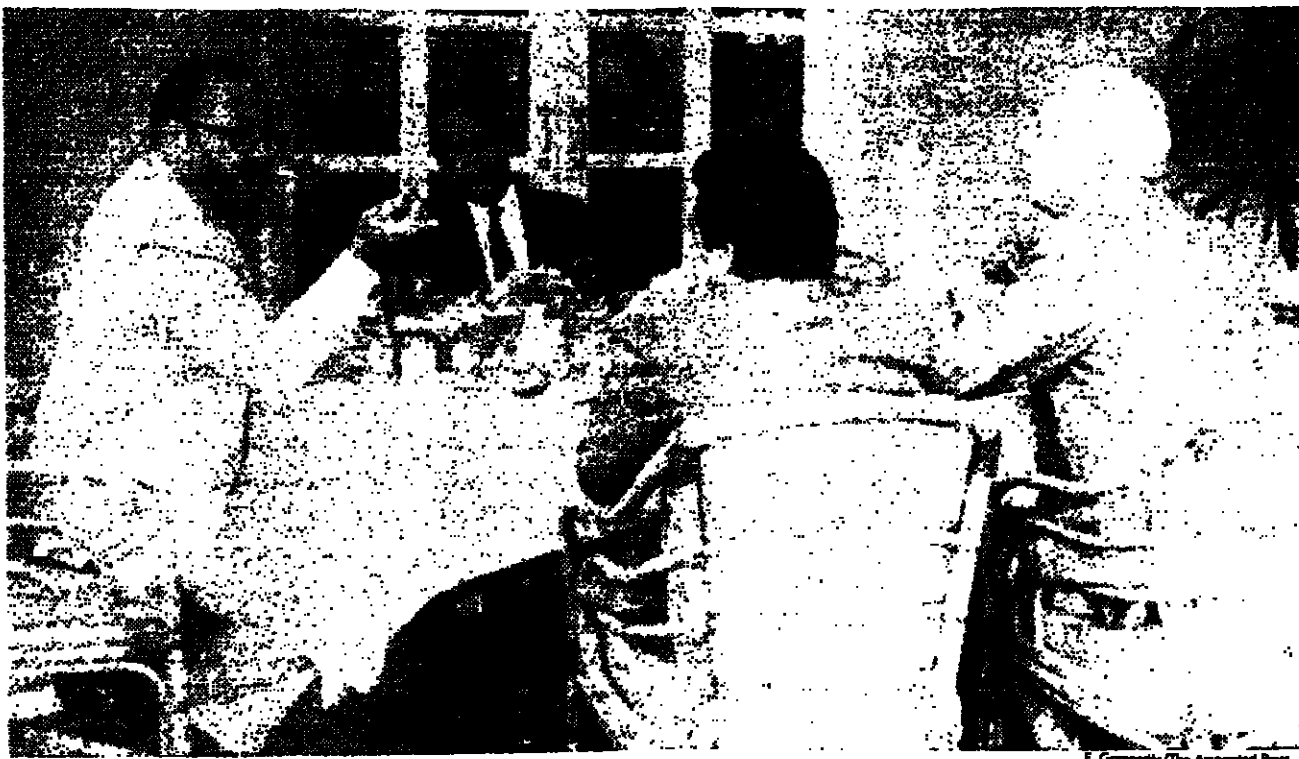
A government spokesman told the Saudi Press Agency on Saturday that "the kingdom has on more than one occasion denied this type of information."

U.S. sources said the change in attitude appeared to have been prompted in large part by such recent incidents as rioting by Iranian pilgrims at Mecca, one of the holiest sites in Saudi Arabia, and the increased number of mines, apparently laid by Iran, being found in Gulf waters.

The sources said these incidents have made the Gulf states increasingly aware that their efforts to mollify Iran through appeasement and keeping the United States at arm's length are not succeeding.

In addition, some U.S. officials said, when tension in the Gulf began increasing earlier this year because of developments in the Iran-Iraq war, many Gulf states expressed doubt that the United States would be willing to commit sizeable forces to protect shipping in the region.

These officials said, however, that the way in which the United States has carried out its commitment to protect convoys of oil tankers has persuaded Gulf leaders that Washington is determined not to be intimidated by what one official called "Iran's war of nerves."



The foreign ministers of 13 Latin American nations, meeting in Caracas, formed a commission to monitor compliance with the Central America peace plan. Among them

were, from left, Miguel d'Escoto Brockmann of Nicaragua, Alfonso Cabrera of Guatemala, Ricardo Acevedo Peralta of El Salvador and Rodrigo Madrigal Nieto of Costa Rica.

## Contras Accept Accord but Won't Disarm

By Julia Preston

WASHINGTON Post Service  
SAN SALVADOR — Nicaraguan rebel leaders, after a meeting with President José Napoleon Duarte of El Salvador, have accepted the first time the peace plan of the five Central American presidents.

Under the terms of the plan, President Daniel Ortega Saavedra of Nicaragua is not required to talk with the contras. Managua has repeatedly refused to do so, saying that the rebels are a creation of the United States and that only Washington can negotiate the end to fighting in Nicaragua.

The Sandinistas opened a tentative dialogue with opposition parties earlier this month. The Nicaraguan foreign minister, Miguel d'Escoto Brockmann, said Saturday that Nicaragua would only negotiate with President Ronald Reagan and the U.S. secretary of state, George P. Shultz.

But the contras emerged from the meeting on Friday to say there had been no talk of laying down their arms or renouncing armed warfare.

"At no time are we talking about laying down our arms," said a contra leader, Alfredo Cesar. The six leaders of the Nicaraguan Resistance, the main contra alliance, said in a statement, "We accept the historical challenge to fight for democracy in our country," adding, "We accept the Central American presidents' peace plan."

The rebels proposed a meeting on Sept. 15 in Managua with government leaders to discuss a ceasefire that is to begin on Nov. 7, according to the terms of the accord.

The contra leaders stressed that Nicaragua also must be made to comply with the pact, saying, "We want peace but not at the expense of our freedom."

Adolfo Calero, the contra political leader, said Nicaragua's resistance had accepted the peace plan in part because it doubted the Sandinistas would comply with it.

"I just don't think they will do it," he said. The meeting on Friday was prompted by a speech that Mr. Duarte made last week. In it, he called for simultaneous talks between the Nicaraguan government and the contras and between his government and the leftist guerrillas of the Farabundo Martí National Liberation Front.

He called on the two rebel groups to prepare to participate in the political processes of their country and to prepare to lay down their arms on Nov. 7.

The Guatemala accord calls for an end to foreign aid for guerrilla groups in the region, a return to full

democracy in each country, internal dialogue between the governments and their unarmed political opponents and a regional ceasefire.

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He called them the true leaders of the contras.

Mr. Duarte's proposal for peace talks between the Salvadoran government and the leftist guerrillas has been stalled because the rebels refused to accept the aspects of the accord that require them to accept a government amnesty and give up their fight.

The president said he had told the contras "absolutely firmly" that he would not allow Salvadoran soil to be used for activities in support of their forces. The Hopango air base in El Salvador was the headquarters of a secret 1986 re-supply operation for the contras.

Mr. Duarte said that he had never agreed on any help to rebel groups, but that the commander of the Hopango base, General Juan Rafael Bustillo, had made his own

decision to support the operation. "I issued a categorical order it shouldn't happen again," Mr. Duarte said.

**Group to Monitor Accord**  
Foreign ministers from 13 Latin American countries have created a commission to verify compliance with a Central American peace accord. Reuters reported from Caracas.

The commission's 10 members are the foreign ministers of the nations comprising the Contadora group — Mexico, Venezuela, Colombia and Panama — the Contadora support group — Argentina, Brazil, Peru and Uruguay — and the secretaries-general of the United Nations and the Organization of American States, or their senior representatives.

## Joseph P. Lash, 77, the Biographer Of 'Eleanor and Franklin,' Is Dead

The Associated Press

BOSTON — Joseph P. Lash, 77, a Pulitzer Prize-winning author whose works included "Eleanor and Franklin," died Saturday at Massachusetts General Hospital.

### A 23-Year Friendship

By David E. Pitt

In his 30-year career as a biographer, Mr. Lash wrote full-length studies on such figures as Dag Hammarskjöld and Helen Keller. But it was "Eleanor and Franklin," the first installment in his two-volume biography of Mrs. Roosevelt, that won him the most enduring fame.

The 1971 book, which won the Pulitzer Prize, drew heavily on Mrs. Roosevelt's papers, to which Mr. Lash had been given access by the Roosevelt family. But while the work had the imprimatur of an authorized biography, "there is nothing of an official label on any of its pages," the Pulitzer jurors noted. "It is a sharp, vivid and yet kindly re-creation of the lives of a famous couple, shedding new insights on their sometimes inspired, sometimes deeply troubled relationship."

The second volume of the biography, "Eleanor: The Years Alone," published a year later, focused on Mrs. Roosevelt's last 17 years after the death of President Franklin Delano Roosevelt in 1945.

Mr. Lash's 23-year friendship with Mrs. Roosevelt began on a train in 1939, when he was 29, and lasted until her death in 1962.

### Cameroon Embassy in Israel

YAOUNDE, Cameroon —

Cameroon, which restored diplomatic relations with Israel last year, is to open an embassy there, according to an official decree issued Saturday. The decree did not say where the embassy would be, in Tel Aviv or in Jerusalem, or whether an ambassador had been named.



Joseph P. Lash

Sunday of a stroke in a Los Angeles nursing home.

Mr. Lubell, who grew up in New York and began his career as a newspaper reporter for The Long Island Daily Press, pioneered a type of political analysis that combined some of the scientific approaches of social scientists with the personal touch of face-to-face interviews. Armed with data on past elections in areas around the United States, Mr. Lubell would pick places that showed consistent trends and interview hundreds of voters.

It was after World War II that Mr. Lubell began his public opinion polls and political analyzing in earnest as the Saturday Evening Post assigned him to analyze President Truman's surprise victory. He helped to popularize analyses that focused on the coalitions that formed the support of a political party and which highlighted the explosive role of racial issues in the social structure and elective politics.

### Samuel Lubell, 76, Writer And Public Opinion Analyst

NEW YORK (NYT) — Samuel Lubell, 76, a writer and public opinion analyst whose door-bell ringing technique of voter interviews led him to successful predictions of winning candidates and issues in the 1950s and '60s, died

## Freedom Demanded in Protest by Lithuanians

Reuters

VILNIUS, U.S.S.R. — More than 500 Lithuanians sang patriotic songs and chanted, "Freedom, freedom" on Sunday to mark the 48th anniversary of the 1939 Nazi-Soviet pact that led to Lithuania's incorporation into the Soviet Union.

Other demonstrations were held in Riga, Latvia, and Tallinn, Estonia.

Some protesters wore black armbands to commemorate Lithuanian victims of Stalin, under whom the pact between Germany and the Soviet Union was signed on Aug. 23, 1939.

One woman addressed the crowd from a nearby statue of Adam Mickiewicz, a 19th-century Polish poet who had close ties to Lithuania, demanding independence for Lithuania as well as Latvia and Estonia, the two other Baltic republics incorporated into the Soviet Union in 1940.

Uniformed and plainclothes policemen maintained a discreet presence near Saint Anne's Church after the demonstration began shortly before midday Sunday.

## 2,000 at Riga Memorial

Janis Roskalis, a Latvian nationalist who laid a wreath at the Riga monument to war victims, told The Associated Press in Moscow by telephone that at least 2,000 people had gathered at the memorial around noon.

He said as many as 5,000 tried to reach the crowded-off square throughout the afternoon. About 500 uniformed and plainclothes policemen set up barricades and closed off a pedestrian overpass to the monument, Mr. Roskalis said.

Tass, the Soviet news agency, said nothing about the protests in Tallinn and Riga.

Details of the Tallinn protest were not immediately available in Moscow, but Mr. Roskalis said that Latvian activists had learned it had taken place.

The Baltic protests and the publicity given them by Western broadcasters over the past few days prompted an outcry from the Soviet news media.

### Missile Compromise Cited

Gary Lee of The Washington Post reported from Moscow:

The Soviet Union may be willing to broach a compromise with the United States over the West German Pershing-1A missiles that are holding up a possible U.S.-Soviet nuclear arms treaty, according to Senator Alan Cranston, Democrat of California.

Following talks with Anatoli F. Dobrynin, the Central Committee secretary, and other officials, Mr. Cranston said Friday that some of his Soviet interlocutors had "indicated that a compromise should be possible" on the Pershing-1As.

This could clear the way for a U.S.-Soviet accord on medium- and shorter-range nuclear missiles and a summit meeting between President Ronald Reagan and the Soviet leader, Mikhail S. Gorbachev.

The Kremlin has proposed that the U.S.-controlled warheads on the Pershing-1As be included in a treaty to eliminate all U.S. and Soviet missiles worldwide with medium ranges, from 600 to 3,500 miles (1,000 and 6,000 kilometers), and shorter ranges, from 300 to 600 miles.

The Reagan administration has objected to the proposal, saying the Pershing-1As are owned by West Germany and should not be part of a bilateral treaty.

Asked what kind of compromise the Soviet officials had in mind, Mr. Cranston said they had provided no details but had given him the "clear impression" that a compromise was possible.

He added, however, that in earlier talks the military chief of staff, Sergei F. Akhromeyev, had been adamant in insisting that the Pershing-1As be included in an accord.

Mr. Cranston also said he warned the Soviet officials that the U.S. Senate might not approve the proposed accord.



Sergeant Clayton J. Lonetree after being convicted of spying for the Russians.

## U.S. Marine Convicted of Espionage

By Ben A. Franklin

QUANTICO, Virginia — A Marine Corps court-martial has found Sergeant Clayton J. Lonetree, the first marine to be tried for spying, guilty of all 13 charges.

The verdicts, delivered Friday night by the jury of eight Marine Corps officers after three hours and 50 minutes of deliberation, included findings of guilt on two counts of the most serious charge, espionage.

The 25-year-old sergeant, who was accused of delivering classified information from the American embassies in Moscow and Vienna to Soviet agents, could be sentenced to life in prison on each of the espionage counts. The same jury is to sentence him on Monday.

Calling the trial unfair, Sergeant Lonetree's lead counsel, Michael V. Shuliff, said the verdict would be appealed. "We shall fight this to the end," he said. "Justice will prevail."

Before the verdicts, the lawyer said that by making repeated "prejudicial" rulings against Sergeant Lonetree, the court-martial judge, Captain Philip F. Roberts of the navy, had provided the defense with a strong record for an appeal.

As the verdicts for the 13 separate counts were read one by one by the jury president, Sergeant Lonetree stood flanked by his two civilian and two Marine Corps lawyers.

He gave no sign of reaction, as viewed on closed-circuit television, the only access given reporters to the small courtroom at the sprawling Quantico Marine base, 40 miles (65 kilometers) south of Washington.

Sergeant Lonetree was convicted on two counts of espionage, two of conspiracy, four of providing a Soviet agent with names and photographs of covert American agents in Moscow and Vienna, three of giving the KGB agent diagrams or floor plans of the embassies in Moscow and Vienna, and two of failing to report contacts with Soviet citizens.

He was a member of the small detachment of Marine Corps guards in Moscow from 1984 to 1986 and was transferred to the guard detachment in Vienna in March 1986. His contacts with Soviet agents, begun in Moscow, continued in Vienna.

### Spanish Guard Site Attacked

DEVA, Spain — Suspected Basque separatist guerrillas launched rockets near a Civil Guard barracks in this northern Basque town early Saturday, but there were no injuries, the police said. No one claimed responsibility for the attack.

## TO OUR READERS IN HOLLAND

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### A Weekend of Trouble in New Caledonia

Policemen used clubs to disperse members of the Kanak Socialist National Liberation Front demonstrating in Nouméa, New Caledonia, for independence from France. Nouméa was calm on Sunday, the day after the protest, but on Lifou island security forces clashed with about 50 Kanaks protesting the visit of the French secretary of state for the French language, Lucette Michaux-Chevry. Several arrests were reported. A referendum on independence will be held in the French territory on Sept. 13.

## Vietnam at War, Ideologically, With Itself

By Barbara Crossette  
New York Times Service

HO CHI MINH CITY — For more than a decade, a power struggle has been going on in Vietnam that many Vietnamese seem to regard as the final stage of an unfinished revolution.

The picture of this struggle that emerges from several weeks of interviews with officials, journalists and business people in both the state and private sectors is partly one of a test of wills between Hanoi's orthodox Marxists — whose ideas of development are rooted in the Stalinist era in the Soviet Union or the most radical period of Chinese Communism — and a group of more pragmatic and flexible leaders.

Communism is not being challenged. But Vietnamese say openly that the party has lost public confidence. If it fails to regain this, "who knows what will happen," an editor said.

Inevitably, this clash has involved a broader confrontation between the isolated, undeveloped, agrarian culture of northern Vietnam and the cosmopolitan, entrepreneurial south. Those differences predated the introduction of Communism to Vietnam by Ho Chi Minh half a century ago.

As described candidly by many Vietnamese, the process of unifying the nation seems in retrospect to have begun rather than ended in 1975 with the fall of Ho Chi Minh City, formerly Saigon. In the end, much that is southern may prevail. But the battle is not over.

In a new atmosphere of outpo-

kenness in Vietnam today, details are emerging of the machinations behind leadership struggles that led in December 1986 to the naming of Nguyen Van Linh, a northerner who spent much of his career in the south, as general secretary of the Communist Party.

Those who have observed the power struggle at close range over the last 12 years tell Orwellian stories of armed economic police sent to ferret out people who were suspected of encouraging free enterprise or otherwise undermining the official policy of total state control of goods and services.

"We lived in terrible times from 1975 to the early 1980s," the owner of a small bakery said. "We were afraid of everything."

Editors recount tales of unwritten pacts among journalists to protect vulnerable new political thinkers from entrenched hard-liners.

In the first few years after unification, we had certain duties," said Tuat Viet, an editor of Saigon Giai Phong, the local Communist Party newspaper. Mr. Viet, a southerner educated in Hanoi who was sent back to the south after 1975, said those duties involved promoting North Vietnamese policies and persuading people in the south to go on working for new masters with no managerial skills.

Mr. Viet said: "But by 1978, we began to see the contradictions between improving production and the backward system of management we had. Journalists in this city began to recognize that we needed some changes."

"In 1975, Ho Chi Minh City was the most developed economy in Vietnam," he said. "But can you imagine that a few years later this city, in the middle of the fertile Mekong Delta, had to rely on grain imported from abroad? People could not accept that."

Crusading politicians and journalists focused their attacks on a system of state subsidies that was stifling or even reversing economic growth, while leading to large-scale corruption and the abuse of political power.

"To be frank, we were being oppressed by party and state officials — only they had the power to oppress," said Huu Tho, deputy editor in chief of Nhan Dan, the na-

tional Communist Party daily paper.

The critics also zeroed in on the Ho Chi Minh generation's enthusiasm for large-scale, Soviet-supported industrial and energy projects, which ran counter to Vietnamese traditional economic patterns — and in any case have delivered almost no results.

Vietnam now ranks 161st among 164 nations measured by the United Nations in per capita gross national product, a provincial official in Phu Khanh said in an interview, repeating the figure several times.

In discussing the degree to which Vietnam has swung along behind successive Soviet policies, Vietnamese journalists and others say that the struggle between orthodox Marxists and pragmatists was well under way by the late 1970s, before Mikhail S. Gorbachev came to power in the Soviet Union.

"Economic renovation must be in line with our country's traditional practices," Mr. Tho said.

But Vietnamese add that the example set by Mr. Gorbachev has been a prop of tremendous value to like-minded people in Ho Chi Minh City.

"The Vietnamese are very clever," a government official said. "We make use of these Russian ideas for our own purposes."

For the moment, most Vietnamese say confidently, the pragmatists led by Mr. Linh are not only in control but also very popular.

Mr. Linh, whom southerners now credit with quietly supporting heretical economic practices — small private enterprises, in particular — while head of the Communist Party in Ho Chi Minh City in the late 1970s, was apparently purged from the Politburo by hard-liners in 1982. His return in 1985 marked the beginning of two years of steady change.

But followers of the orthodox Marxists, symbolized in most Vietnamese minds by Le Duan, the late party leader, and Truong Chinh, his immediate successor, remain powerful.

Diplomats say Mr. Chinh, the architect in the 1950s of a disastrous attempt at forced collectivization, fought up to the eve of the Sixth Party Congress last year to block Mr. Linh's ascent.

Foreign visitors still encounter old-style party cadres in government offices — or do not meet known hard-liners because they refuse to be interviewed by journalists from democratic countries.

"The resistance to change is still large," said an editorial board member at Saigon Giai Phong. "The obstacles are many. Among these he listed the entrenched bureaucrats whose jobs may now be threatened."

"The struggle is still complex," Mr. Viet said. "A zigzag route may be unavoidable. But the present trend is clear. This is a demand of 60 million people, 60 million people who refuse to continue living with a stagnant bureaucracy."

### U.S. Agrees to Aid Hanoi in Return For Help on MIAs

The Associated Press

WASHINGTON — The Reagan administration has said it has sent three U.S. medical experts to Vietnam under an agreement to give the country humanitarian help and obtain information on Americans missing in the Vietnam War.

The experts, including two specialists in orthopedic rehabilitation, will be in Hanoi for three days of talks beginning Tuesday, according to the State Department.

They were identified as Dr. Carlton Savory of the Houghton Orthopedic Clinic; Fred Downs, a Veterans Administration specialist on artificial limbs; and Dr. Larry Ward, who has been involved in private relief efforts in Vietnam.

The State Department, in an apparent effort to limit publicity about the mission, declined to provide other information about the participants and withheld an announcement of the trip until Saturday, after the three men left for Asia.

For years, the Hanoi government has been saying that its willingness to help account for the 1,776 Americans still listed as missing in the Vietnam War would depend on U.S. agreement to help remedy Vietnamese problems.

## Sudan Leader Seeks to Regroup After Collapse of Coalition

Routledge

KHARTOUM, Sudan — Prime Minister Sadek el-Mahdi of Sudan has invited leaders and legislators of southern Sudanese parties to meet with him Monday to discuss their role in a future government to replace his coalition, which collapsed Saturday.

Mr. Mahdi, whose coalition came to power in May 1986 after the first democratic elections in Sudan in nearly 30 years, did not disclose details of proposals for a

new government in a report on the collapse by state television.

The state television quoted Mr. Mahdi as saying that cabinet members would carry out their duties normally and that a new government would be in place by Sept. 7 at the latest.

The demise of the coalition, consisting of Mr. Mahdi's dominant Umma Party and the Democratic Unionist Party, came two weeks after officials of the Umma Party masterminded the election of

Mirghani al-Nasri, a lawyer, to a seat on the Supreme Council previously held by a Democratic Unionist. The council is a five-person body acting as a collective presidency.

Mr. Nasri's election violated a power-sharing agreement between Umma and the Democratic Unionists.

The crisis is the latest in a series of jolts to the government. Sudan has an acute foreign-currency shortage and a foreign debt of more

than \$11 billion. Mr. Mahdi hopes to meet officials from the south, where the government is waging a costly four-year war against rebels.

The two parties' central disagreement is over ties with Egypt, to the north. The Democratic Unionists favor special ties to Egypt while Umma emphasizes cordial ties with all of Sudan's eight neighbors, including Libya, Egypt's chief Arab adversary.

Western diplomats in Khartoum say Umma rejected Ahmed el-

Sayed Hamad, the defeated Democratic Unionist nominee for the Supreme Council, in part because he was known to have close ties with Egypt. Umma has accused Egypt of perpetuating the rule of President Gaafar Nimeiri before he was ousted in a military coup in 1985 after 16 years in power.

He has remained in Egypt despite repeated requests by Sudan for his extradition to stand trial on charges of murder, corruption and abuse of power.



# 1887 and all that...

## The Trib's Centennial Quiz

Hundreds of valuable prizes await participants in the IHT's centennial quiz, focusing on the year of the paper's founding.

1887 is a special year for the International Herald Tribune, for it was on October 4th of that year that James Gordon Bennett, Jr. made journalistic history by launching our newspaper in Paris. But lots of other significant things happened that year as well — more than you may realize!

Because our Centennial is an occasion in which we want to welcome our readers' participation, we have created the following Centennial Quiz, built around events and personalities of historic significance who, in some special way, are linked to the year 1887.

Every person who answers 15 or more of these questions correctly will receive an IHT souvenir in thanks for his or her participation. Those who answer the most questions correctly will be recognized in our pages — and will receive a larger prize. Prizes will include gift books, travel-related luxury goods, and free subscriptions (or prolongations of subscriptions) to the IHT. To spread the prizes geographically, the ten highest scores from each country will qualify as winners with any ties resolved in favor of the earlier entries.

Everyone can enter the contest except International Herald Tribune employees and their families. So fill in the quiz coupon and send it right away. Contest closing date will be October 4, 1987 our actual anniversary date. Correct answers will be printed in the newspaper, along with the names of all the winners.

### Our Questions:

1. Begun in 1887, it became two years later the tallest structure the world had ever seen, and remained so for 41 years. What was it, which building did it succeed as the world's tallest, and which finally surpassed it in 1930?
2. Which famous literary figure made his first appearance in 1887, and who were the two doctors whom he also helped to immortalize?
3. On May 8, 1887, a young man was shocked when his brother Alexander was hanged for taking part in a murder conspiracy. As a result, the history of mankind in the twentieth century was dramatically changed. What was his name?
4. He was born in 1887, became a revolutionary in 1911, and President of his country in 1923. Though he was regarded as a world leader, he spent the last 26 years of his life on a small island. Who was he?
5. Which famous symbol of internationalism was launched in 1887 by Ludwik Zamenhof?
6. Which Man for All Seasons became a saint in 1887?
7. Born in 1887 as William Henry Pratt, the son of a member of the Indian Salt Revenue Service, he spent much of his life in America where he became world famous under another name, and eventually retired to Sussex, England, to watch cricket before his death in 1969. How is he better known?
8. Which chemistry professor at a military academy of medicine died at a party in 1887, leaving an unfinished opera?
9. Which British citizen, born in 1887 the son of an Irish bishop, commanded the U.S. First Army (among other units) on D-Day?
10. In 1887, this man won public acclaim in Vienna for something which had nothing to do with politics, even though he later became Prime Minister of a European country. He had a farm in California and died in New York in 1941. Who was he?
11. On July 8, 1887, a world-famous novelist attended a concert given by his children and wept at Beethoven's music. This later inspired him to write one of his best-known stories. Who is the novelist and what was the story's name?
12. In 1887, a composer produced his tragic masterpiece. Sixteen years earlier he had been commissioned to compose a similar musical work to celebrate a feat of engineering. It was given its premiere in Africa. What were the two works?
13. Born in 1887, he became famous as a scientist and international civil servant, but he was often overshadowed by his brother who died on the same day as President Kennedy. Who was he?
14. In 1886 an unknown young painter arrived in Paris to see the last exhibition of the impressionists of which he wrote, "when one sees them for the first time one is very much disappointed and thinks they are ugly, sloppily and badly painted, badly drawn and of a poor color, everything that is miserable."

But in 1887, under their influence, he completely changed his own approach to painting and discovered the new style which after his death three years later was to make him world famous. Who was he?

15. What was first set up by a group of French and British naval officers in 1887, and later became known as Xanadu?
16. It originally came from England in 1851 and almost immediately went to America. In 1887 it was moved to the place where it remained until 1983 — when to everyone's surprise, it suddenly went off half way round the world. What is it?
17. A scandal over an illegitimate child had not stood in the way of his success two years earlier — but his marriage to a 22-year old girl in 1886 did prevent his repeating his success two years later. Four years after that, he had a third chance. Who and what was he in 1887?
18. Which colonial country was formed in 1887, allied to Germany in 1940, liberated by the British in 1945 and divided, and only again came under the same rule in the late 1970s?
19. Born in Switzerland in 1887, he became world-famous under a pseudonym which means "crow-like" and spent much of his life drawing up plans for the rebuilding of Paris, Rio de Janeiro and other major cities, none of which were ever carried out. He did, however, design one of the best known buildings in New York. Who was he?
20. 1887 was the year a novel Swiss invention was first manufactured in Germany. Esthetic and practical for men and wom-

en, the invention's application is external though rarely visible. It took many years to become popular. Can you name the invention?

21. In 1887 a legendary American had his show on the road in England and Europe delighting audiences with a kind of U.S. life that would later be popularized in Hollywood. Who was he?
22. 1887 marked the birth of a celebrated English writer of poetry and prose whose very close family relation with two other writers produced a fashionable movement of literary thought and style. Who was this titled writer?
23. He was born in 1887 in Pennsylvania but later became governor of another state. As the Republican candidate for President of the United States, he ran unsuccessfully against one of America's better known presidents. Who was he?
24. In 1887 he was working in the New York Customs House and writing a book of poems called John Marr and Other Sailors — although the work that has made him world famous had already been published 35 years earlier. Who was he?
25. In 1874, the eccentric owner of a major New York newspaper moved permanently to Paris. Tradition says that, 13 years later, the sound of a bird in the night convinced him to found a newspaper in Paris. Today, 100 years later, that paper is still publishing. Who was its founder, what was the new paper's full original name, and what was the bird whose nocturnal song was instrumental in its founding?

### Your Answers

Please write or print your answers very clearly. Then add your name and address and cut out the response coupon along the dotted lines.

Mail to "Centennial Quiz", International Herald Tribune, 181 avenue Charles-de-Gaulle, 92200 Neuilly, France.

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Mail your answers immediately. The Centennial quiz closing date is October 4, 1987.

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City and Code \_\_\_\_\_  
Country \_\_\_\_\_





Gary Hart, joined by his son John, attending a Gaelic football match Sunday in Dublin.

## An Elusive Hart Surfaces in Dublin

Compiled by Our Staff From Dispatches

DUBLIN — Gary Hart, the former U.S. presidential candidate who dropped out of sight last week after reports that he might join the campaign, turned up Sunday at a Gaelic football match in Dublin.

Mr. Hart had been last seen by news reporters on Friday morning when he left a vacation cottage in western Ireland, reportedly without paying a \$600 bill.

"In the circumstances, it was understandable that he forgot to pay," Mary Clancy, who rented the lakefront house to Mr. Hart, told the Irish Independent on Saturday. "He had planned to stay here until the end of the month."

There were reports that he had cut his vacation short to fly to the United States. An Irish Radio reporter said Friday that Mr. Hart had told him he was returning immediately to the United States "because of developments" and wanted to avoid media attention.

But on Sunday Mr. Hart joined tens of thousands of cheering fans at the football match, in which players dribble the ball with hands and feet.

He sat in the VIP box at Dublin's Croke Park stadium, Press Association, the British domestic news agency, said.

The agency said he slipped away early, however, avoiding reporters' questions about reports that he might join the race for the Democratic nomination for president in 1988.

The former senator from Colorado pulled out of the campaign on May 8 after reports that he was involved in an extra-marital liaison with a model, Donna Rice.

Mr. Hart became the subject of intense speculation Friday after William Dixon, his former campaign manager, said in a radio interview in Wisconsin, "Based on what I know, it is likely Senator Hart will re-enter the presidential race in 30 to 60 days in a non-traditional campaign focused primarily on the issues."

However, in an interview broadcast Friday on ABC News, William Shore, another former Hart aide, said he had spoken with Mr. Hart late Thursday and that the former senator was "categorical and unambiguous" in saying he was not a candidate.

(AP, UPI)

## BUGS: Natural Enemies

(Continued from Page 1)

parasites of the Colorado potato beetle." Bugs cross the Atlantic both ways, he explained.

Sometimes things do not go so smoothly for the collectors. Dominique Coutinot spent several days in Granada, in southern Spain, last month looking for stinkbugs and parasite-injected eggs. He found some in farm fields and roadbeds, packed them in plastic containers and stuffed them in his duffel bag.

On his flight back to Paris, Mr. Coutinot had to change planes in Madrid. The duffel bag, stinkbugs and eggs, however, wound up at London's Heathrow Airport. British security guards opened the bag and apparently X-rayed the creatures. The dead bugs and eggs were returned to the European Parasite Laboratory a day later.

The United States first set up a foreign outpost for collecting and shipping parasites in 1919, in Auch in southwestern France. The original assignment was to find an enemy of the European corn borer, which had just appeared in the northeastern United States. A parasite was never found, and the corn borer is still eating well on both continents.

Since then the European Parasite Laboratory has moved to several locations in France, but recently the Agriculture Department committed itself to the bug-eat-bug approach by purchasing five acres (two hectares) of property in Be-hous, a village outside Paris.

Seventeen persons are employed at the lab, two Americans and the rest Europeans, mainly French. The annual budget is approximately \$1 million.

The lab has had several small successes and many disappointments in its 68-year history, but a parasite that works can mean big savings for farmers.

Instead of repeated sprayings of costly chemicals, once a parasite takes hold, the farmer may never have to spray again.

## POLICY: Gulf Action and Reaction at Home Sent the U.S. Fleet to 41 Ships

(Continued from Page 1)

The Kuwaiti tankers with The New York Times made the following disclosures:

• The policy was discussed within the administration for several months as a means of reassuring moderate Arab nations of American constancy after the disclosure of secret U.S. arms sales to Iran. But the process quickened in late February, when the administration learned that Kuwait was about to put half its tanker fleet under the Soviet flag. Mr. Reagan's approval of the policy at a breakfast meeting on March 4 was primarily based on this perceived need to counter Soviet influence in the region.

• When Mr. Reagan adopted the policy in March, intelligence officials were giving weekly assessments that said Iranian retaliation was not a major risk. After the Iraqi attack on the Stark, the Central Intelligence Agency warned against the threat of Iranian mines and terrorism while other analysts played down the risks. A report by members of the House Armed Services Committee made public Saturday said a more optimistic forecast by Defense Secretary Caspar W. Weinberger only covered the first two months after the escorts began, which would be through mid-September, and considered only the possibility of direct attacks against American ships.

• Senior policy makers in Washington — Secretary of State George P. Shultz, Frank C. Carlucci, the national security adviser, Admiral William Crowe, the chairman of the Joint Chiefs of Staff, and Mr. Weinberger — all supported the escort proposal. Mr. Weinberger's active role surprised some in the administration, who noted his reputation for counseling the utmost caution and prudence in use of military forces.

• In the days after the attack on the Stark, the White House offered rationales in an effort to maintain public support for the policy in the face of congressional pressure. State Department officials said that they were stunned in late June

when Mr. Reagan said the purpose was to prevent a fuel shortage in the United States and avoid lines at gas stations, an argument that was untrue and had never been considered. The White House insists that the confusion reflected the search for a winning public relations strategy, not misapprehensions over the policy.

• The Joint Chiefs of Staff and the theater commander in charge of Gulf operations were explicitly warned by intelligence services about the threat of mines before the first tanker convoy was dispatched. After Kuwait refused to allow minesweeping helicopters to be based on its territory, U.S. military officials decided to send the first convoy through the Gulf without a minesweeper because they assumed Iran would not take action while a United Nations ceasefire resolution was in place. Indeed, the first convoy was delayed until the resolution passed, on July 20.

• The United States, despite pledges to coordinate more closely with its allies, did not try to enlist international support in advance, even though the vessels carry oil to American allies.

• Congress also was not consulted about the policy until after it had been approved by Mr. Reagan. Lawmakers raised few objections, however, until the attack on the Stark.

By mid-January, senior administration officials were considering the request from Kuwait, and were inclined to respond favorably. U.S. officials said they learned that Mikhail S. Gorbachev, the Soviet leader, had sent a letter to the emir of Kuwait in which he offered the services of the Soviet Union in protecting Kuwaiti tanker traffic.

On Feb. 6, the United States told Kuwait that if it put its ships under the American flag they would be entitled to protection by the U.S. Navy. Administration officials said intelligence assessments recognized the possibility that Iran might respond to the American help to Kuwait with terror acts or mining.

They said, however, that these were not high probabilities. Against that risk, they said, was balanced the administration's determination not to allow the Soviet Union an opening in the Gulf.

On March 4, Mr. Reagan met with Mr. Carlucci, Mr. Weinberger and Mr. Shultz at their weekly breakfast. Administration officials

about the policy until after it had been approved by Mr. Reagan. Lawmakers raised few objections, however, until the attack on the Stark.

Two days earlier, Howard H. Baker Jr. had been named chief of staff, replacing Donald T. Regan. Administration officials said he had no role in the original decision on the Kuwaiti ships.

But a former administration official said Mr. Baker quickly came to dislike the escort policy and later argued, unsuccessfully, that Congress be notified about the plan under the War Powers Act. Other officials opposed this.

Administration officials insist that it was the furor over the Stark incident, combined with congressional and news media attention, that increased pressure on the Iranians and suggested possibilities for playing American domestic politics.

The first convoy moved out into the Gulf in July, without minesweepers. American warships were near a re-registered tanker, the Bridgeton, when a mine damaged it.

The confrontation had begun.

## GULF: U.S. Will Stay 'as Long as Needed,' Official Says

(Continued from Page 1)

curry Council," calling for a ceasefire between Iran and Iraq.

■ **Bridgeton Heads for Strait**

The supertanker Bridgeton, damaged by a mine last month, steamed Sunday with two U.S. warships toward the Strait of Hormuz, far ahead of a convoy of three smaller Kuwaiti tankers escorted by two U.S. destroyers. The Associated Press reported from Manama, Bahrain.

Iraq said, meanwhile, that its planes had bombed an Iranian petrochemical complex at Bandar Khomeini, on the northern Gulf coast, for the second time in 24 hours. Iran did not comment on the report.

A team from the NBC television

network, aboard a helicopter, spotted the 400,000-ton Bridgeton and the U.S. guided missile destroyer Kidd about 100 miles (160 kilometers) southeast of the smaller tankers.

The Bridgeton was damaged by a mine July 24 off an Iranian island in the northern Gulf. It sailed safely through the same waters Saturday for the return journey.

The 81,000-ton Sea Isle City and the 80,000-ton Ocean City, both tankers, and the 47,000-ton Gas King, a liquefied-gas carrier, sailed under escort by the destroyers Hawes and Klakring after having anchored for 12 hours about 30 miles off Bahrain, said Brent Sadler, a reporter for Independent Television News in Britain who saw them leave.

Shipping and salvage experts said the U.S. command signaled the Bridgeton to steam past the anchored tankers before dawn Sunday, but it was not spotted until later.

"It was another successful exercise in subterfuge by the American navy," said a Dubai-based salvage expert.

Also Sunday, Ayatollah Ruhollah Khomeini predicted that Saudi Arabia's ruling family would fall from power because of the riots in Mecca that claimed more than 400 lives on July 31.

The ayatollah, 87, appearing in public for the second time since the riots, made the comments in a speech from his home. It was shown on Iranian television and monitored in Nicaragua.

## KOREA: Party Urges Restraint After Worker's Death

(Continued from Page 1)

better working conditions, it was a lesser cause, so it won't have the same effect."

Workers at a half-dozen companies of the Hyundai conglomerate united last week to strike against the group as a whole. But Hyundai's plants are concentrated in Ulsan, while Daewoo's factories are scattered in many locations around the country.

Labor disputes continued to arise at hotels, factories, department stores and workshops around the nation. The Labor Ministry reported that more than 1,600 companies had been hit by strikes or stoppages since July 1, with two thirds of those now resolved.

The government said 541 disputes remained unsettled Sunday, compared with 511 on Saturday.

A Daewoo Motor assembly line worker said that grievances had accumulated during decades of restrictive government policies, when most unions were prohibited and wages were kept low to fuel growth and exports.

"There has to be communication between worker and management,

but there hasn't been any channel for it," the Daewoo vice foreman said. "So now it's all coming out at once."

Among the unsettled strikes were several affecting the South Korean tourist industry. In Seoul, workers continued to occupy the lobbies of the Lotte and Seoul Plaza Hotels, and ground crews at Kimpo International Airport extended their strike a second day.

Airport officials said international flights were delayed an average of 30 minutes to one hour.

At the Daewoo shipyard, the nation's second largest, with 15,000 workers, the company had no comment on Mr. Lee's death. Sources said executives might issue a statement Monday.

Both major parties called for investigations into the circumstances of his death.

"The worker's death is the most unfortunate and regrettable incident," said Lee Min Sok, spokesman for the ruling Democratic Justice Party. "The government has to cope with the case with the maximum patience and self-restraint."

The opposition Renminification

Democratic Party also expressed regret and sent two officials to Kojé to look into the case. The party also planned to call for a National Assembly committee to convene to deal with the death and overall labor strife.

Several thousand students and government critics rallied at Yonsei University in Seoul in support of striking workers.

Workers on Kojé suspended efforts to resolve their dispute until after Mr. Lee's funeral later this week.

The shipyard's troubles began two weeks ago, when workers began picketing for higher wages. The company closed Friday, saying bargaining had been fruitless.

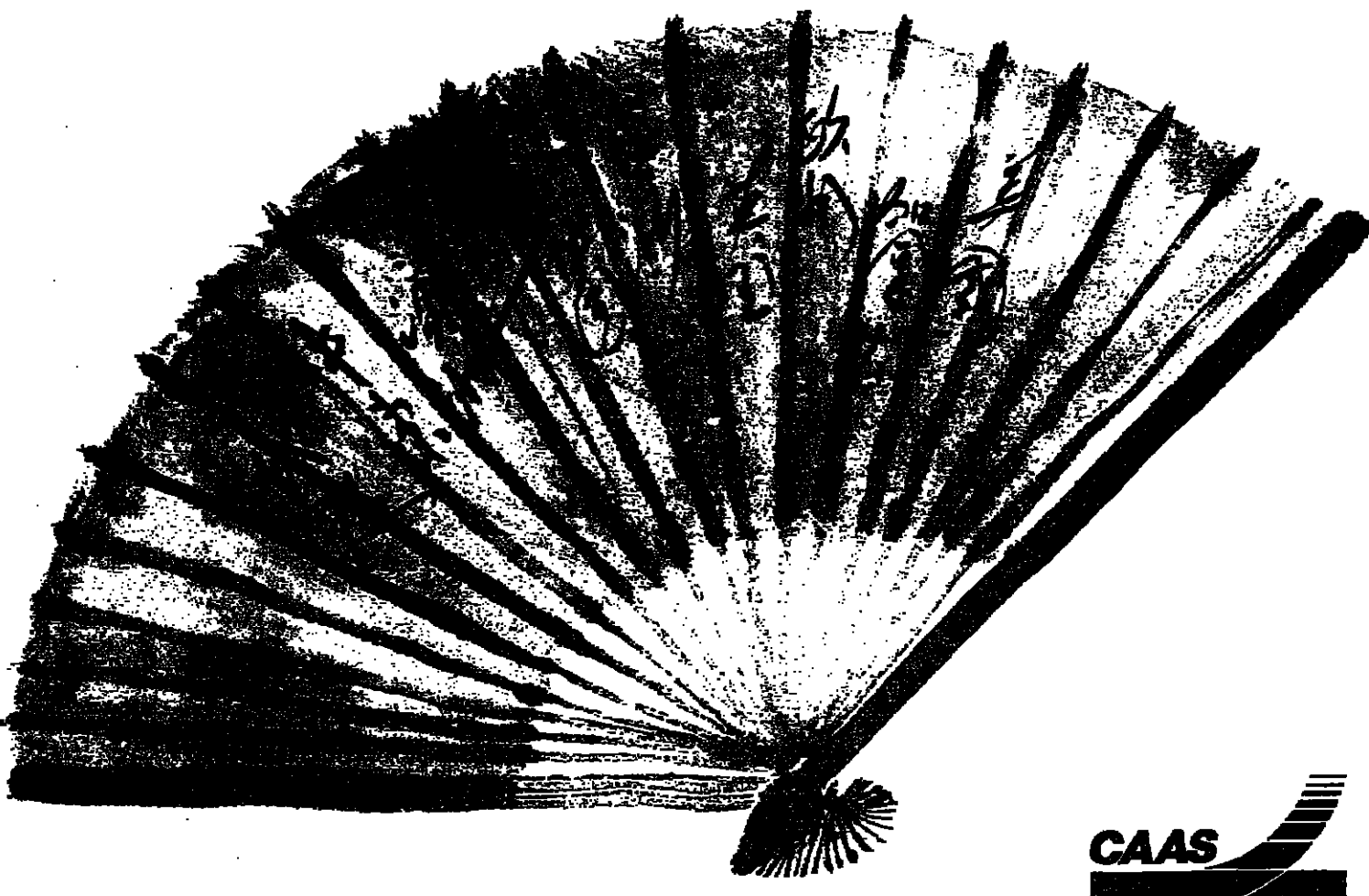
Angered by the lockout, several thousand workers took to the streets of Okpo on Saturday afternoon. When they moved toward the Okpo Tourist Hotel, where the shipyard president was staying, riot policemen fired about 100 rounds of tear gas, according to witnesses. Mr. Lee and 20 other workers were injured.

Workers later ransacked the hotel looking for shipyard executives.

Singapore Changi Airport is host to 45 international airlines, which fly directly to 87 cities in 51 countries. No other airport in South East Asia offers you more convenient connections to all major destinations worldwide. And to welcome the 10 million passengers a year that visit us, Changi Airport offers everything from the lowest priced duty

The world unfolds at the place where all paths meet.

free shop in Asia to high class restaurants with cuisine from all over the world. And all this in a modern, clean and friendly atmosphere designed to make your stay pleasant and pleasurable. No wonder we are considered Asia's best airport by the Business Traveller Magazine. We're sure you'll agree.



CAAS

Civil Aviation Authority of Singapore

SINGAPORE CHANGI AIRPORT  
THE AIR TRAVELLER'S HAVEN

## INTERNATIONAL POSITIONS

You will find below a listing of job positions published last Thursday under the rubric International Positions.

TITLE	SALARY	EMPLOYER
EXECUTIVE ASSISTANT		Media & financial services company.
MEDIA MANAGER	£14 105 pa £17 025 pa	Amnesty International.
SNR SALES/ MARKETING EXECUTIVE	Negotiable	Wallace International.

If you haven't seen last week's INTERNATIONAL POSITIONS rubric, please ask for a free copy: Max Ferrero, INTERNATIONAL HERALD TRIBUNE, 92521 Neully Cedex, France. Tel: (1) 46.37.93.91. Telex: 613395



benefited enormously from the general belief that the federal government has at last found the political will to bring its budget deficit down, surely and steadily. If President Reagan and the Democratic leadership of Congress between them now allow that belief to evaporate, they will invite the kind of leap in interest rates that can throw the country into a recession. The fault for the present deadlock lies chiefly with Mr. Reagan. But if it cannot be broken promptly this fall, the costs next year will reach far beyond politicians' reputations.

—THE WASHINGTON POST.

makes so much sense. Being able to count on French divisions, and on French facilities for British and American reinforcements, would do wonders for the non-nuclear capability of the Western alliance.

The current brigade proposal was made by Chancellor Helmut Kohl. The French response was enthusiastic, but with the expected reservation that the joint force must be outside NATO's military structure. In other words, French forces would not serve under a NATO general. This time, however, French and other officials suggested paths for skirting the old wall. The brigade could operate alongside alliance forces if not under NATO command, or if it could be put under the wings of NATO's political structure, in which France participates.

A fully integrated French-German brigade would disrupt NATO military planning and political cohesion. But French leaders now are making the right noises. It's healthy for Paris to want to be part of discussions on new European security arrangements. Formulas to preserve French *amour propre* are fine, as long as the joint brigade is effectively integrated, both strategically and operationally, with NATO.

— THE NEW YORK TIMES.

ment. This is estimated to save the government a good \$270 million in costs this way to take care of the center itself and to be a home for international trade exhibits and pertinent U.S. agencies as well as a showcase for exhibits and performers from every continent, along with boutiques, restaurants and out-of-sight, instead of unsightly, parking — with more spaces than there are now.

To fulfill this commitment to function and flair, the president must appoint a 15-member commission. The members should be distinguished, nonpartisan and determined to guide the project through to the end. The plan approvals that had best be completed by midsummer 1982. The unanimous consent of both houses of Congress and presidential support for this history-making endeavor should not be squandered by bureaucratic delays.

— THE WASHINGTON POST.

Under the measure, patients are permitted to decide, in advance, to forgo emergency resuscitation even if they're not terminally ill. They're also permitted to appoint

become incoherent. The law affirms the presumption that all patients consent to be resuscitated. But if a patient is both incompetent and terminally ill, hospital or nursing home officials can choose a surrogate from family or close friends. If no surrogate is available, the law permits a do-not-resuscitate order from a court or two physicians who determine that resuscitation is medically futile. The orders must be renewed every 30 days, every three months in hospitals and every 60 days in nursing homes. The law also requires that a patient's competence be established by physicians and that a procedure be established for mediating any conflicts between a patient's desire not to be resuscitated and a physician's personal convictions or professional ethics. While inevitably causing confusion and occasional acrimities that confound medical technologies. Above all, it recognizes a patient's right to make choices about death as well as life.

—THE NEW YORK TIMES.

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**id Hussein**

*went on pilgrimage last month to Mecca, in Saudi*  
*pilgrims on July 31 that resulted in handbills being*  
*its to The Washington Post.*

(The Iranians said there would be approximately 100,000, the same as in 1986). Second, no foreign pilgrims should be allowed to participate. Third, there should be no attempt to involve Saudi citizens, or allow their participation.

In the event, some 500 foreign pilgrims took part, including the leaders of Lebanon's Hezbollah, or Party of God, some Afghan mujahidin, representatives of the Moro National Liberation Front in the Philippines and two cousins of the Sudanese prime minister, plus an assortment of Arabs, Palestinians, Indians and Bangladeshis.

Soon after the Friday prayer, at 1:30 P.M., Saudi security forces began gathering at the site of the demonstration, many in armored cars and others wearing riot gear. Seven video cameras had been placed in adjoining buildings to monitor the demonstration. Helicopters were constantly hovering overhead.

The participants gathered in front of build-

## By William Safire

vapid document put out by the Library of Congress's Congressional Research Service summarizing the 1984 position of the pope:

The first excuse is the absence of a peace agreement and of internationally recognized borders defining Israel and Jordan. But the Vatican's diplomatic relations with Taiwan, which not only the United States now recognizes, and with Iraq, who have a border dispute going.

Then there is the "unresolved status of Palestinians." Does the Vatican really care that issue to be resolved as a precondition for naming of an official mmicio to Israel? No.

Supposedly the third main issue: "The Holy See has called for some form of *corpus separatum* guaranteed by international statute to assure the section of the shutes: unimpeded access to a secure and continuing Christian presence." But the only way to move toward its goals is to negotiate the church's desires should be a reason for creating relations, not a reason for continued isolation.

One basic reason is never mentioned: it is stick in the Vatican's craw that the Jews still predominate in the land of Christ. Setting aside such crosser nonsense, another real reason is the Vatican's aloofness is mentioned in parentheses: "the effect that de jure recognition would likely have upon the Church and its members in Lebanon and other Arab countries. . . ." The nub of it: the Vatican has allowed its mis-

The problem is that the deficits on the traditional value basis, could get even worse before getting better if the dollar starts to go down again. In part, it is a Catch-22 situation. The dollar weakens because the trade deficit fails to improve and with a weaker dollar, which pushes up prices, the trade deficit tends to increase as an immediate response. That's the famous "J-curve" effect.

Over the past 30 months, in which the dollar plunged so sharply against the yen and the mark, Japanese and West German manufacturers at first successfully maintained their market shares by cutting profits

*The emotions need to be stripped from the data.*

**N**EW YORK — Representatives of nations around the world gathered here Sunday to begin discussing the relationship between reducing military spending and increasing funds for economic development. One country, the United States, is boycotting the United Nations-sponsored conference.

Last month, in a similar gesture of negative diplomacy, the Reagan administration sent a middle-level Foreign Service officer — who described himself as a “traveling insult” — to represent it at the UN Conference on Trade and Development. Why has the administration once again chosen to stand alone, thumbing its nose at the rest of the world? Is it standing up for some cherished principle? Not really. Is it avoiding a high risk or hostile environment? Not really. Is it foregoing a prime opportunity to voice its views before the world? Quite possibly.

U.S. officials worry that the conference will provide a platform for anti-American rhetoric and Soviet propaganda. Considering the preparatory work, however, there seems to be little cause for concern. But by its absence, the United States might turn an otherwise benign event into a forum for scrambling about American arrogance.

sector remains a strong supporter of people in need around the world.

U.S. officials also assert that no relationship exists between disarmament and economic development and that, therefore, they would have nothing to talk about at the conference. But a draft of the final document for the conference states that disarmament and development are distinct processes.” The United States could save its argument that money saved by disarmament could not automatically be transferred to development purposes. Appropriations measures require the participation of Congress. Nonetheless, the interrelationship is worth exploring.

Washington could also tell developing countries that if they are truly interested in releasing funds for development, they should focus their disarmament efforts on reducing conventional forces and reducing expenditures on military hardware. Although public attention is focused on the nuclear menace, 80 percent of the world’s \$1 trillion military expenditures is for non-nuclear forces. During the last two decades, the proportion of gross national product devoted to military outlays has grown in poor countries and shrunk in wealthy

margins. More recently, they have been forced to boost their prices. Now, once again, the dollar is weaker. For a period, starting with the agreement signed in Paris in February, the major democratic industrial countries had successfully established and defended the "snake" for their exchange rates. The yen, for example, was set at about 153 to the dollar. But after the June trade-deficit figure was published, the dollar began to decline again. By the middle of last week, it had dipped to 144 yen. A continuation of the dollar's slide, as Mr. Bergsten and other economists think necessary and expect, will further boost import prices and exacerbate the trade deficit for the United States in value terms.

It isn't clear when the ultimate goal of exchange-rate adjustments—the discouragement of imports—because of high prices—may happen. To the extent that U.S. manufacturers raise their prices, as Chrysler has just done for 1988 model cars, the beneficial effects of a lower dollar are diminished, and inflation gets even more rampant. But in the interim, the big trading nations seem to climb out of a statistical trap. The Danforth amendment and anything else that would stir emotions from the trade figures would be a big help.

*The Washington Post*

## 1912: For a Bigger Fleet

LONDON — Lord Selborne, a one-time First Lord of the Admiralty, attacked the Government's naval policy in the House of Lords on Aug. 23: "Almost immediately," he said, "Germany will have in the North Sea a fleet more powerful than was the whole of the British navy when I had the honor of going to the Board of Admiralty in 1895. It will be in a position for immediate war, such as no other fleet has yet been. This makes a declaration of war by this Government, for with a fleet in that condition a blow can be delivered simultaneously with a declaration of war." His remedy was: "We require, and should have at the earliest moment, a complete new squadron of battleships, at least eight in number, and provision for such a squadron should be made by means of borrowed money repayable in a short period."

**SHANGHAI** — A heavy artillery shell struck [on Aug. 23] in the district of the great Chinese department stores, all of which were open and filled with customers who were sustaining badly needed wartime supplies. It is estimated 400 were killed and about 1,000 wounded. The shell struck a building front about 40 feet above the roadway, completely demolished the large windows and scattering shell fragments inside and in all directions. The force of the blast was so great that plate glass shattered windows within a radius of 300 feet, and smashed and stores along the Nanking Road and the intersecting roads were more or less damaged. An authoritative source has been issued as to which side has no shell, which apparently could have come only from positions on the Pootun side of the Whangpoo River.



MONDAY, AUGUST 24, 1987

## EUROBONDS

As Trade Data Strike Again,  
Market Shows Some Spirit

By JONATHAN ENGEL

International Herald Tribune

PARIS — The June U.S. trade figures came back to haunt the Eurodollar bond market in a different guise on Friday, but the effect was similar to when the \$15.7 billion deficit was first announced exactly one week before. Figures for growth in U.S. second-quarter gross national product, revised downward largely because of the trade deficit, still weakened the dollar more than they helped the bond market.

And in a bond market preoccupied with the dollar, that's all it took to send the benchmark 30-year U.S. Treasury bond lower, to a Friday close of 99 in New York, more than 2 percentage points below the previous Friday finish.

The larger-than-expected trade deficit had already been battering the U.S. currency for most of the week. Even so, as expected, the Eurodollar bond market showed enough resilience to support some sizeable new issues. Indeed, the week's \$1.3 billion in fixed-rate dollar bonds was the largest volume in nearly six months, following \$1.94 billion in the week beginning March 2.

But, bond managers emphasized, the generally favorable market response to the new offerings primarily reflected yields that were alluring enough to force selective investors to switch from other bond holdings. Few noticed any fervent demand fueled by inflows of fresh cash.

"We've seen very good demand this week for dollar bonds," said Andrew Pelling, a syndication manager at Nomura International Ltd. "I think all the deals have been reasonably fairly priced." He added, though, that according to reports from the company's salesmen, investors are keeping most of their money in cash and short-maturity bonds of up to three years. "I don't think there's a lot of new money coming into the market," he said.

A syndication official at a U.S. investment bank agreed. "There's a lot of paper," she said, "but it's been very carefully marketed and there have been more reasonably priced issues than there have been recently. I don't think the retail is there to support an ongoing dollar market," she added, because the dollar "is what's holding everything back."

AFTER THE GNP figure was revised down to an annual rate of 2.3 percent, from the previous estimate of 2.6 percent, the dollar fell to 1.8150 Deutsche marks in New York, losing 6 pfennigs from the previous Friday. The dollar also finished down 8 yen from the week before, at 142.15, the lowest level since mid-June.

"The bond market was comfortable with the slow pace of the economy," contended a syndicate manager at a large U.S. commercial bank. This sluggishness, which dampens inflation, was also reflected in the trade figures. But, he said, the foreign exchange market grew worried that this slow growth, and a possible lowering of interest rates to stimulate the economy, would diminish investment demand for many dollar assets. "It's been very much a currency-driven market lately," he said.

Investors also remain concerned that any further lowering of the dollar to correct the trade deficit might blunt foreign demand for dollar bonds on fears of currency losses. In addition, a lower dollar could increase inflation by boosting prices of imports.

Interestingly, the inflation news released Friday showed inflation subsiding from a quickened first-quarter pace. July consumer prices rose a modest 0.2 percent, below the 0.4 percent June increase that analysts had expected to be repeated.

On an annual basis, the 5 percent rate for the first seven months of 1987 was significantly below the first quarter's 6.2 percent. And price rises measured by another standard, the GNP implicit price deflator, registered 3.8 percent, below the 4.5 percent of the first quarter.

Also in the past week, two other gauges of inflationary pressure fell, as oil prices lost about \$1 a barrel and gold dropped by more than \$4 an ounce, paralleling a further reduction in fears over Mideast tensions.

This cheering news on inflation helped blunt the impact of the declining dollar. "The fact that the market's been able to absorb the level of issuing activity that it has, in relatively good shape, speaks well for it," said Ian Molson, syndication director at Credit Suisse First Boston Ltd.

"We're at a level in interest-rate terms where people are fairly comfortable," he said. "The market's trading much more on the basis of the exchange markets." But, he noted, "A lot of people are attracted to buying the dollar at what looks like bargain levels."

Of the week's six dollar-straight issues, four carried five-year maturities. Mr. Pelling noted that investors were switching to

See EURO BONDS, Page 9

## Currency Rates

Aug. 21

Cross Rates	Aug. 21	Aug. 20	Aug. 19
American \$	2.2615	2.2615	2.2615
British £	1.6380	1.6380	1.6380
French F	6.5493	6.5493	6.5493
German M	1.9363	1.9363	1.9363
Italian L	1.3667	1.3667	1.3667
Japanese Y	163.80	163.80	163.80
Swiss S	1.4835	1.4835	1.4835
Spanish P	166.37	166.37	166.37
Portuguese E	200.48	200.48	200.48
Belgian B	36.363	36.363	36.363
Dutch G	2.3636	2.3636	2.3636
Australian A	1.5478	1.5478	1.5478
New Zealand N	1.2746	1.2746	1.2746
Canadian C	1.3110	1.3110	1.3110
South African R	1.4835	1.4835	1.4835
Indian Rupee	13.2500	13.2500	13.2500
Thai Baht	20.4800	20.4800	20.4800
Philippine P	49.6600	49.6600	49.6600
Indonesian R	1,577.00	1,577.00	1,577.00
Singapore D	1.3667	1.3667	1.3667
Malay Ringgit	2.3636	2.3636	2.3636
Brunei Dollar	2.3636	2.3636	2.3636
Myanmar Kyat	125.0000	125.0000	125.0000
Sierra Leone L	1.3667	1.3667	1.3667
Liberian L	1.3667	1.3667	1.3667
Guinean F	1.3667	1.3667	1.3667
Senegalese F	1.3667	1.3667	1.3667
Gambian D	1.3667	1.3667	1.3667
Sierra Leone L	1.3667	1.3667	1.3667
Liberian L	1.3667	1.3667	1.3667
Guinean F	1.3667	1.3667	1.3667
Senegalese F	1.3667	1.3667	1.3667
Gambian D	1.3667	1.3667	1.3667

Source: Reuters. All rates are for 100 U.S. dollars unless otherwise indicated. All rates are for 100 U.S. dollars unless otherwise indicated.

## Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes	Aug. 21	Aug. 20	Aug. 19
DJ Industrials	2,709.50	2,685.43	+0.90
DJ 30	219.50	217.79	+1.25
DJ Transp.	1,086.47	1,071.16	+1.35
S & P 500	325.99	323.99	+0.57
S & P 400	392.34	389.38	+0.74
NYSE Comp.	107.51	106.69	+0.44
FTSE 100	2,285.80	2,295.14	-0.39
DAX 100	1,727.20	1,735.30	-0.47
Nikkei 225	25,591.18	25,431.01	+0.64
Hong Kong	2,031.60	2,041.10	-0.47
Shanghai	2,031.60	2,041.10	-0.47
London	2,031.60	2,041.10	-0.47
Paris	2,031.60	2,041.10	-0.47
Frankfurt	2,031.60	2,041.10	-0.47
Bombay	2,031.60	2,041.10	-0.47
Calcutta	2,031.60	2,041.10	-0.47
Rangoon	2,031.60	2,041.10	-0.47
Manila	2,031.60	2,041.10	-0.47
Cebu	2,031.60	2,041.10	-0.47
Colombo	2,031.60	2,041.10	-0.47
Singapore	2,031.60	2,041.10	-0.47
Malaysia	2,031.60	2,041.10	-0.47
Thailand	2,031.60	2,041.10	-0.47
Philippines	2,031.60	2,041.10	-0.47
Indonesia	2,031.60	2,041.10	-0.47
Sri Lanka	2,031.60	2,041.10	-0.47
Myanmar	2,031.60	2,041.10	-0.47
Sierra Leone	2,031.60	2,041.10	-0.47
Liberia	2,031.60	2,041.10	-0.47
Guinea	2,031.60	2,041.10	-0.47
Senegal	2,031.60	2,041.10	-0.47
Gambia	2,031.60	2,041.10	-0.47
Sierra Leone	2,031.60	2,041.10	-0.47
Liberia	2,031.60	2,041.10	-0.47
Guinea	2,031.60	2,041.10	-0.47
Senegal	2,031.60	2,041.10	-0.47
Gambia	2,031.60	2,041.10	-0.47

## Where Others Failed, Zenith Stays All-American

By Mark Potts

Washington Post Service

GLENVIEW, Illinois — Over the last four decades, Zenith Electronics Corp. has seen them come and go: names like Philco, Sylvania, Admiral and Magnavox, American companies that, like Zenith, made a go at making televisions against increasing competition from Japan and elsewhere.

Now only Zenith remains. Its last two U.S.-owned competitors, General Electric and RCA, were sold last month by General Electric Co. to France's state-owned Thomson SA. Like some of the other names from Zenith's competitive past, the GE and RCA brands will live on under foreign ownership. But only Zenith still can claim to be American born and bred.

At a time when cheaper and cheaper televisions are flooding in from Japan, Korea, Taiwan and other East Asian nations, Zenith still is doing the bulk of its bread-and-butter set manufacturing in Chicago and Missouri. Zenith has posted losses on its television business over the past two years and is barely breaking even this year. But it has an ace in the hole, a fast-growing computer business that is starting to generate enough profit to carry the TV side of the company, and exceeds the revenue from Zenith's TV business.

And Zenith has come up with a technological breakthrough that could be a huge money-maker in the television set industry: a revolutionary new picture tube with a flat front that provides picture quality far superior to that of even the best traditional picture tubes, without much difference in price.

The company has just begun selling the new screen, called a "flat tension mask," or FTM tube, as a computer monitor, and will offer it on a television set later this year.

Zenith has offered to license the technology to competitors, who so far have been wary, since similar technology has been on the drawing boards of other companies in the past, with little success.

"Everybody's waiting to see if we can really produce it," said Zenith's chairman, Jerry K. Pearlman. "But we can. We are." Analysts say Zenith's ability to survive where other U.S. compa-



An RCA TV plant. RCA, Zenith's main competitor, has been sold to Thomson of France.

nies have failed is partly attributable to its unique position of being solely a consumer-electronics company.

That allowed — even forced — Zenith to concentrate on the radio and TV fields while its com-

petitors had other interests that both distracted them and gave them businesses to retreat into.

In addition, Zenith has been a major player in the TV business almost since its inception, running almost neck-and-neck for the No. 1 position with RCA, even today.

"Unlike some other people in that business, that has been their principal business," said Russell Leavitt, an analyst at Salomon Brothers. "While it has been a difficult business, it probably was not as difficult for them as it

able in being the only U.S. company still in the TV industry. 'I don't think it matters a lot,' he said.

He argued that Thomson's ownership of GE and RCA should make little near-term difference in the industry's competitive make-up, since Thomson has said it plans to let the U.S. television business run autonomously.

And regardless of the ownership of the companies involved, he said, the TV industry long has crossed international borders.

"It's a global business, from the standpoint of technology and input of the material building blocks," he said. "We have all been internationally affiliated for years. We buy parts internationally, we sell parts internationally."

Indeed, many of the sets with Japanese name tags are assembled in the United States, to save customs duties, while the change of ownership of the GE and RCA brands will not shift their major production center out of Indianapolis. Even Zenith is in on the game. Some of its smaller sets, as well as subassemblies for its larger TVs, are made in Mexico.

That foreign sourcing is critical to Zenith's ability to keep costs down, Mr. Pearlman said.

The company has also won significant concessions from union workers by threatening to move more production to Mexico.

Keeping costs down is critical in the TV business, which has been hit about as hard by low-cost imports as any other U.S. industry.

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

might have been for somebody else who didn't have so large a position."

In an interview at the company's headquarters in Glenview, a suburb of Chicago, Mr. Pearlman said he saw nothing very remark-

able in being the only U.S. company still in the TV industry. "I don't think it matters a lot," he said.

He argued that Thomson's ownership of GE and RCA should make little near-term difference in the industry's competitive make-up, since Thomson has said it plans to let the U.S. television business run autonomously.

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See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

Banks Declare  
North Korea in  
Default on Loans

By Nicholas D. Kristof

New York Times Service

HONG KONG — Western banks have notified North Korea that it is in default on its loans and could soon face legal proceedings aimed at seizing its property abroad, banking sources say.

It was the first formal loan default by any country since the international debt crisis began in August 1982, the sources said. They said that North Korea is in default on two bank syndicates on \$770 million in principal and interest. North Korea is believed to owe \$1.65 billion to \$2.75 billion to the noncommunist world.

Many large international banks participated in the lending. American banks, however, are legally prohibited from lending to North Korea, the bankers said.

Foreign debtors, particularly those in Latin America and Africa, have often fallen far behind on payments in the last few years. But it is up to the lending banks to decide whether to declare a country in formal default, and until now banks have preferred to overlook delinquency and try to work out a new schedule for payments.

European bankers have grown increasingly exasperated with North Korea, which they say has never repaid them any principal and has not paid any interest since March 1984.

The last straw came a few weeks ago during a new round of talks in London, when the North Koreans demanded new loans and then abruptly walked out of the negotiations, the bankers said.

"It's something that we have bent over backward to avoid doing," said a senior banker based in London. "But Western banks really can't afford to let any debtor get away with not paying, because then the Latin debtors would follow suit."

Another reason for the declaration of default seems to be the hope that the North Koreans will return to the negotiating table rather than risk the embarrassment of seizures and a resulting disruption of trade.

One banker said that the syndicates would still hold off from trying to seize property if North Ko-

rea promptly made some interest payments to show good faith. The amounts involved are relatively small and the formal default is not expected to disrupt international finance and commerce.

In their search for assets that might be seized, the bankers so far have located offices in Paris and Vienna of North Korean companies. Ships passing through Western ports might also be vulnerable.

Morgan Grenfell, a British bank, heads one of the bank syndicates. The other is headed by Australia & New Zealand Banking Group.

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

China Freezes  
Prices Amid  
7% Inflation

Reuters

BEIJING — China said Sunday that to combat rising inflation it would freeze prices of consumer goods and services controlled by the government.

Prices rose 6.3 percent in the first six months of this year from the first half of 1986 and climbed in June at an annual rate of 7.8 percent, the official news agency Xinhua reported.

"The standard of living for some workers has gotten worse and the government will take measures to correct this," the chairman of the State Council, Yuan Mu, was quoted as saying.

He said that retail prices of consumer goods under government control would be frozen for the rest of this year.

Since 1978, China has developed a dual economy by relaxing control over the production and prices of many foodstuffs and light industrial goods. It has kept some staple foods, commodities and heavy industrial goods under central planning.

Mr. Yuan said that vegetable prices rose 17.8 percent and meat, poultry and egg prices by 10.9 percent in the first half of 1987.

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

See ZENITH, Page 11

## As Dow Nears a Dizzying 3,000, the Signposts Blur

Analysts Are Divided: A 'Mythic' Milestone, a 10% Pullback or an Eventual Crash?

By Lawrence F. DeMaria

New York Times Service

NEW YORK — It is slowly dawning on investors, traders and analysts that the Dow Jones industrial average is nearing 3,000, a figure that — bull market or no bull market — has until recently seemed almost mythic.

But the Dow is now trading above 2,700, having obliterated records and eight "century" marks so quickly and so enthusiastically that the experts are rapidly running out of superlatives, not to mention explanations.

Other, broader market gauges have also broken into record territory, but not as spectacularly as the blue-chip Dow, which is the signpost by which the health of the current stock market is measured. The market rally is powered by blue chips. Secondary and tertiary stocks have still not joined in.



## Weekly International Bond Prices

Provided by Credit Suisse First Boston Securities, London. Tel.: 01-623-1277.  
Prices may vary according to market conditions and other factors.

Aug. 20

## Dollar Straights

Issuer	Con	Mat	Price	Yld	Cur
Australia					
Aust Govt	12 1/2	9/1	102 1/2	8 1/2	+0.2
Aust Govt	10	9/1	102 1/2	8 1/2	+0.2
Aust Govt	7 1/2	9/1	102 1/2	8 1/2	+0.2
Aust Govt	5 1/2	9/1	102 1/2	8 1/2	+0.2
Aust Govt	3 1/2	9/1	102 1/2	8 1/2	+0.2
Aust Govt	1 1/2	9/1	102 1/2	8 1/2	+0.2
Aust Govt	1/2	9/1	102 1/2	8 1/2	+0.2
Aust Govt	1/4	9/1	102 1/2	8 1/2	+0.2
Aust Govt	1/8	9/1	102 1/2	8 1/2	+0.2
Aust Govt	1/16	9/1	102 1/2	8 1/2	+0.2
Aust Govt	1/32	9/1	102 1/2	8 1/2	+0.2
Aust Govt	1/64	9/1	102 1/2	8 1/2	+0.2
Aust Govt	1/128	9/1	102 1/2	8 1/2	+0.2
Aust Govt	1/256	9/1	102 1/2	8 1/2	+0.2
Aust Govt	1/512	9/1	102 1/2	8 1/2	+0.2
Aust Govt	1/1024	9/1	102 1/2	8 1/2	+0.2
Aust Govt	1/2048	9/1	102 1/2	8 1/2	+0.2
Aust Govt	1/4096	9/1	102 1/2	8 1/2	+0.2
Aust Govt	1/8192	9/1	102 1/2	8 1/2	+0.2
Aust Govt	1/16384	9/1	102 1/2	8 1/2	+0.2
Aust Govt	1/32768	9/1	102 1/2	8 1/2	+0.2
Aust Govt	1/65536	9/1	102 1/2	8 1/2	+0.2
Aust Govt	1/131072	9/1	102 1/2	8 1/2	+0.2
Aust Govt	1/262144	9/1	102 1/2	8 1/2	+0.2
Aust Govt	1/524288	9/1	102 1/2	8 1/2	+0.2
Aust Govt	1/1048576	9/1	102 1/2	8 1/2	+0.2
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Aust Govt	1/8388608	9/1	102 1/2	8 1/2	+0.2
Aust Govt	1/16777216	9/1	102 1/2	8 1/2	+0.2
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Aust Govt	1/446014906043693101706275276787313888	9/1	102 1/2	8 1/2	+0.2
Aust Govt	1/892029812087386203412550553574627776	9/1	102 1/2	8 1/2	+0.2



## New International Bond Issues

Compiled by Laurence Desvillettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
<b>FLOATING RATE NOTES</b>						
Convos	\$ 50	1992	0.25	100.10	—	Over 6-month Libor. Noncallable. Fees 0.10%.
Convos IV	\$200	1992	0.25	100	—	Over 6-month Libor. Noncallable. Fees 0.10%. Denominations \$100,000.
Smart Two	\$ 50	1992	0.25	100.10	—	Over 6-month Libor. Noncallable. Fees 0.10%. Denominations \$250,000.
<b>FIXED-COUPON</b>						
Austria	\$200	1992	9	101%	99.75	Noncallable. Fees 1W%.
Belgium	\$400	1992	9	101%	99.43	Noncallable. Fees 1W%. Denominations \$100,000.
Caisse d'Aide à l'Équipement des Collectivités Locales	\$150	1995	9%	101%	98.50	Noncallable. Fees 2%.
Coca Cola Enterprises	\$150	1992	8%	101%	98.88	Noncallable. Fees 1W%.
Panasonic Capital	\$300	1992	9	101%	99.25	Noncallable. Fees 1W%.
SBC Finance	\$125	1989	8	101	99.95	Noncallable. Fees 1W%.
General Telephone Electric Finance	ECU 50	1992	8	101%	99.13	Noncallable. Fees 1W%.
PepsiCo	ECU 100	1990	7%	101%	99.63	Noncallable. Fees 1W%.
Nordic Investment Bank	CS 100	1990	10	101.15	98.15	Noncallable. Fees 1W%.
DG Bank Finance	Aus 50	1990	13%	101%	101.00	Noncallable. Fees 1W%.
Ford Motor Credit	Aus 75	1991	13%	101%	100.00	Noncallable. Fees 1W%.
Lives VII	Aus 167	1995	8%	101%	—	Noncallable. Fees 1W%. Redemption amount of maturity in U.S. dollars, will be linked to the average rates of sterling and Canadian and Australian dollars vs U.S. dollar.
Oesterreichische Volksbanken	Aus 50	1990	13%	101%	100.05	Noncallable. Fees 1W%.
Crédit Lyonnais Canada	NZ\$ 60	1990	17%	101%	99.63	Noncallable. Fees 1W%.
National Westminster Australia Bank	NZ\$ 60	1990	17%	101%	99.63	Noncallable. Fees 1W%.
<b>EQUITY-LINKED</b>						
Asahi Glass	\$200	1992	open	100	98.50	Coupon indicated at 3W%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at an expected 25% premium. Fees 2W%. Terms to be set Aug. 24.
Ishihara Sangyo Kaisha	\$ 50	1992	open	100	98.50	Coupon indicated at 3W%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at an expected 25% premium. Fees 2W%. Terms to be set Aug. 24.
MCA	\$300	2002	5%	100	101.50	Coupon indicated at 3W%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at an expected 25% premium. Fees 2W%. Terms to be set Aug. 24.
Mitsubishi Cable Industries	\$100	1992	open	100	97.50	Coupon indicated at 3W%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at an expected 25% premium. Fees 2W%. Terms to be set Aug. 25.
Nippon Coinco	\$ 60	1992	open	100	97.50	Coupon indicated at 3W%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at an expected 25% premium. Fees 2W%. Terms to be set Aug. 27.
Nippon Denko	\$ 70	1992	open	100	98.50	Coupon indicated at 3W%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at an expected 25% premium. Fees 2W%. Terms to be set Aug. 28.
Sanyo-Kokusaku Pulp	\$130	1992	open	100	97.50	Coupon indicated at 3W%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at an expected 25% premium. Fees 2W%. Terms to be set Aug. 24.
Shimano Industrial	\$ 50	1992	open	100	97.50	Coupon indicated at 3W%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at an expected 25% premium. Fees 2W%. Terms to be set Aug. 26.
Taiho Marine & Fire Insurance	\$200	1992	3%	100	—	Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at an expected 25% premium. Fees 2W%. Terms to be set Aug. 28.
Yamaha Motor	\$100	1992	open	100	—	Coupon indicated at 3W%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at an expected 25% premium. Fees 2W%. Terms to be set Aug. 28.
Yasuda Trust & Banking	\$100	2002	1%	100	100.00	Convertible at 2.62% yen per share and at 144.65 yen per dollar. Fees 2W%.
Markt & Technik Finance	DM 30	1994	6%	142	—	Noncallable. Each 5,000-mark note with 2 warrants exercisable at 800 marks per share, a 25% premium, into a total of 7 shares of Markt & Technik AG. Fees 2W%.

## BUSINESS ROUNDUP

### Don't Fight, Flee: Takeover Targets Switch States

By Mark Potts

Washington Post Service

WASHINGTON — With the financier T. Boone Pickens hot on its trail, Singer Co. has moved its corporate headquarters from Connecticut to New Jersey in an apparent effort to thwart his takeover advances.

Singer, a maker of military electronics equipment, shifted about 20 top corporate officials to Montvale, New Jersey, from Stamford, Connecticut, earlier this week. Other executives and clerical personnel remained in Stamford, which is about 40 miles (65 kilometers) from Montvale.

The move appears to be in keeping with the latest state takeover defenses: using favorable state takeover laws to evade an unwanted suitor.

In previous cases, companies have persuaded their home states to change the laws in their favor. Singer simply switched states.

Singer officials would not say that the sudden, unannounced move was prompted by Mr. Pickens' interest in the company. "You have to draw your own conclusions," said Thomas Elliott, a Singer spokesman.

"We moved our principal executive offices here so we could take advantage of all the New Jersey corporate laws," he said. Mr. Elliott added that it now takes him an hour rather than 20 minutes to commute to work.

Mr. Pickens said earlier this month that his Mesa Limited Partnership owned 4.4 percent of Singer and wanted to buy as much as 15 percent of the company. He was not available last week for comment.

New Jersey has one of the toughest takeover laws in the nation. For companies that

start a trend for companies that are incorporated in the handful of states, including New York and Indiana, that have takeover laws like New Jersey's.

The cost of a move, he said, is likely to be far cheaper than mounting a full-scale takeover defense, which can cost millions. "This business of just moving a few of your officers to a state that is responsive and wants to protect its companies" will "offer good defense at a lower cost," he said.

However, Vincent DiBlasi, a New York attorney who specializes in takeover law, said it was unlikely that corporate moves would become a regular takeover defense, because most have major investments in headquarters facilities and personnel bases in the states in which they have their headquarters.

He said it was more likely that companies would lobby their state legislators for better takeover protection.

It is not clear how many companies would be able to take advantage of the tactic pioneered by Singer. Most major American companies are incorporated in Delaware, regardless of their headquarters location, and would have to secure approval from stockholders to switch their incorporation.

Delaware laws are considered favorable to corporate managements, although they do not protect against takeovers as well as those of New Jersey, New York and other states.

An analyst said that the cost of a move is likely to be far cheaper than mounting a full-scale takeover defense, which can cost millions.

are incorporated in the state and have headquarters there, the law prevents takeovers from going into effect for five years without approval from the board of the company being taken over.

"New Jersey does have a very firm takeover law for companies that are chartered and headquartered in New Jersey, and Singer is now both," said Phillip Brannon, an analyst at Merrill Lynch & Co. Singer has been incorporated in New Jersey since 1873.

Mr. Brannon said Singer's move could

### Nomura Plans No U.K. Stock Upsets

Reuters

LONDON — Nomura Securities Co. Ltd., the Japanese securities firm that will debut Monday as a trader in British stocks, says it has no intention of using its financial muscle to seize market share.

Tony White, who heads Nomura's team of market-makers, said, "Our approach will be to increase the size of the cake rather than take a bigger share of it."

Nomura, the world's biggest securities house, is likely to be a net buyer of shares, especially for its Japanese clients.

"The majority of the 10 shares we have chosen to start with are of interest to Japanese investors," Mr. White said.

These stocks include blue-chip companies privatized by the government, such as British Gas PLC and British Telecommunications PLC, as well as such diverse equi-

ties as Allied-Lyons PLC and Reuters Holdings PLC.

Mr. White said he also planned to start trading in European equities in London. "We will be starting with French and German stocks in due course," he said.

At £24 billion (\$39.1 billion), Nomura's market capitalization exceeds that of the top four British clearing banks combined. Some brokerages fear that this mountain of cash will give Nomura the ability to sustain heavy losses while it undercuts rivals.

"This would not be in our interest," Mr. White said. "Our aim is to build up London's stature as a global financial center."

Traders believe that Nomura will be constrained by market realities.

A leading banking analyst said that Nomura was handicapped by its research and sales teams, which are headed by Japanese.

"They haven't got enough U.K. market savvy," said the analyst, who asked not to be named. "This is a structural drawback that surfaced in New York, where Nomura has had a hard time being competitive."

Market-making almost wound off Nomura's presence in London. It became a member of the stock exchange in March 1986 and began banking operations there the following November.

### Robins Files Merger Plan

Reuters

RICHMOND, Virginia — A.H. Robins Co., maker of the controversial Dalkon Shield contraceptive device, said Sunday that it had filed a reorganization plan to emerge from two years of bankruptcy.

It said the plan, filed Friday in a U.S. bankruptcy court, included the creation of two independent trusts providing about \$2 billion "to administer and settle all valid Dalkon Shield claims."

In August 1985, the company filed for protection under Chapter 11 of the U.S. bankruptcy code after hundreds of thousands of women filed claims alleging that the Dalkon Shield device had caused problems ranging from sterility and miscarriage to death.

One of the trusts will cover settlement of claims by women who used the Dalkon Shield and the second will settle all other debts, including those to the Internal Revenue Service. The trusts will be financed through an initial \$500 million cash payment, with the rest of the money to be paid over a seven-year period, it said.

The plan involves a proposed merger agreement with Rorer Group Inc., a Pennsylvania-based drug company that will guarantee the plan along with Morgan Guaranty Trust Co. of New York and Philadelphia National Bank. The plan is subject to approval by the shareholders of both companies and by the court. A hearing is scheduled Nov. 5.

### DOW: Signposts Blur

(Continued from first finance page)

in Chicago, drew a comparison between the United States of the 1980s and the 1930s.

Now, he wrote, the American securities markets draw much of their strength from Japanese investing; back then, the British were the dominant foreign investors. When the British called in their chips during the 1930s for a variety of economic reasons, Wall Street suffered terrible bear markets.

Mr. Hale raised the disquieting possibility that history might repeat itself if the Japanese were to decide to keep their money at home.

What will determine whether the Japanese and other foreign investors support American stocks? Just about everyone points to the dollar.

"The dollar is just pivotal," said Mr. Johnson of First Albany. "The dollar is going to decide where all that worldwide liquidity will eventually go."

Foreign investors are loath to invest in American stocks or bonds during a time when the dollar is volatile. On Tuesday, when the dollar plummeted, the Dow dropped more than 45 points as foreign investors stampeded to the exits.

The dollar has since settled, nervously, at the 142 yen level. "If we have much further weakness, foreign investors would tend to abandon the stock market; the memories of losing their shirts is so fresh," Mr. Johnson said.

He was referring to the losses incurred by many foreign investors in April and May, when the dollar fell to around 138 yen and forced the Dow into a trading range of 2,200 to 2,400, its only real blimp in all year. The dollar subsequently recovered to about 150 yen, and its stability drew foreign investors, particularly the Japanese, back into the American stock market.

"If foreign investors don't think they are going to lose their shirts in dollar-denominated securities, then funds are going to continue to flow to our markets and everything will be fine," Mr. Johnson predicted. "There is sort of an innate confidence in our system, political and economic."

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Box D-191 Herald Tribune, 181 Ave. Charles de Gaulle, 92521 Neuilly Cedex, FRANCE.

### EUROBONDS: Dollar Issues Show Fighting Spirit

(Continued from first finance page) high-grade, five-year bonds from 10-year issues to decrease risk, and if possible to improve credit quality and yield.

Bond managers said that the relatively attractive yields on last week's offerings were prompting investors to swap out of more expensive U.S. Treasury issues, which traditionally offer higher quality and liquidity, and out of any lower-yielding Eurodollar bonds in the secondary market issued by the same borrowers.

"You can't get away with doing an issue based on secondary levels for anybody," said the syndication manager at the large U.S. commercial bank. The yield has to be higher to attract investors, he argued, noting that secondary-market yields for triple-A supranational borrowers are 35 to 45 basis points over those of comparable U.S. Treasuries for five-year issues and 55 to 65 basis points over for comparable 10-year offerings.

Most syndication managers followed this advice, but attractive yields weren't a panacea. Several bond managers pointed to the \$300 million, five-year issue for Panasonic Capital Corp. as a symbol of the market's lack of widespread demand. The issue had a fairly value, being the first dollar-straight issue for a unit of Matsushita Electric

Industrial Co., as well as carrying a triple-A rating and a spread of 68 basis points over Treasuries. It ended the week trading at or just inside break-even levels for underwriters.

"I think it has something to do with the fact that the Japanese are not buying dollar Eurobonds in a big way," said the bond manager at the U.S. commercial bank. "It's a sign that the market is just not wide open." Initially, the lead manager, Nomura, estimated that only about 24 percent of its allotment had been sold to Japanese investors, although by Friday that had risen to 40 percent.

Another large issue was the long-awaited \$400 million offering for Belgium, which the borrower was intending to swap for floating-rate debt to repay an existing floating-rate note. Belgium's swap target for funds at about 25 basis points under the London interbank offered rate, or Libor, suggested a spread over five-year Treasuries of about 60 basis points.

Instead, the issue, won by Credit Suisse First Boston, came at a premium of 70 basis points, made possible by an attractive swap provided by American Insurance Group, an insurance company expanding into the swaps business. However, the \$100-million denominations that Belgium uses to discourage tax evasion by its citizens again limited retail demand generally, and the

bonds sold slowly, ending the week just outside profitable levels.

Uncumbered by such restrictions, Austria's \$200 million five-year offering generated more demand, helped by the fact that this rare, triple-A borrower has traditionally issued dollar bonds with at least 10-year maturities. The issue, launched at 55 basis points over Treasuries, ended the week straddling or just inside profit-making levels.

Dealers also reported demand for the five-year issue from Coca-Cola Enterprises, the bottling company, launched at 58 basis points over Treasuries. The amount was increased to \$150 million from \$100 million, although this greater supply and the dollar's plunge Tuesday undercut the price.

The two other dollar issues, for a French public finance agency and for a subsidiary of Swiss Bank Corp., met sharply divergent fates. The Swiss Bank Corp. offering, for only two years, was sold solely by the parent bank and as usual found its way into the hands of Swiss investors, being increased to \$125 million from \$100 million.

The agency, Caisse d'Aide à l'Équipement des Collectivités Locales, found the eight-year maturity a handicap on its \$150 million offering, and the bonds finished the week well outside profit-making levels.

### AMEX: Silent on Loss of Contract

(Continued from first finance page) rate on why the switch had been made. The department confirmed the change Friday after it was reported in The Indianapolis Star.

Mr. Severino added that the decision did not reflect dissatisfaction with his company's performance. "In our case we were there for 40 years," he said. "I assume we had the ability to perform."

But a source close to Merchants National, who asked not to be identified, said, "Obviously, if the Pentagon goes from a Goliath in financial banking services to a small untested company out in the Midwest, the

conclusion you can draw from that is that American Express got a little complacent."

Otto Nicholas Frenzel 3d, Merchant's chairman, said he thought that his bank would now control 60 percent to 70 percent of the military banking facilities worldwide.

American Express, until now the largest purveyor of military banking services overseas, will still manage roughly 60 military bank branches serving 100,000 military personnel in the Pacific, Britain, Iceland, Panama, and the Indian Ocean island of Diego Garcia, Mr. Severino said. The division is part of American Express's international bank.

He added that American Express also recently lost its management contract covering military bank branches in Japan and Okinawa to the National Bank of Fort Sam Houston, San Antonio.

The financial services company has operated overseas bank branches for American service personnel since 1947. With thousands of them still abroad after World War II, the military had sought the company's help in providing retail banking services such as accepting deposits, selling travelers' checks to service personnel, sending money home, converting dollars into local currency, and acting as the military's payroll agent.

### OPEC: Discipline Urged

(Continued from first finance page) Kuwaiti oil is being stored rather than sold in the market.

OPEC sources also report worries that political tension between Saudi Arabia and Iran might complicate efforts to arrange an agreement by the cartel.

But analysts such as Mr. Nicol of Smith New Court said that fears of a repeat of last summer's price crash would keep all 13 OPEC members in line.

Sanford Margoshes, an analyst at Shearson Lehman Brothers in New York, agreed, saying that cartel members led by Saudi Arabia would pull back on production if the market turns much softer.

OPEC and Saudi Arabia want to maintain the fixed OPEC average price at \$18, he said. The Gulf crisis remains an unsettling factor. Even if output in the Gulf were shut down, the 5 to 6 million barrels daily that would be lost could be made up as other producers boosted output and refiners drew on substantial stocks. If tensions rise again, oil companies may want to rebuild stocks. Much of the increase in recent weeks in OPEC output has been funneled to stockpiles.

### Investors Sue Philips to Block Offer For U.S. Unit

Reuters

NEW YORK — Shareholders of North American Philips Corp. have filed a lawsuit to block a \$609 million tender offer by Philips NV for the 42 percent that the Dutch parent company does not already own.

The suit, filed Friday in the Delaware state chancery court, charges that the offer is inadequate and unfair. The electronics giant has said it would pay \$50 in cash for each of the 12 million North American Philips shares held by private investors.

Philips, based in Eindhoven in the Netherlands, has a 58 percent stake in the New York-based company. It said last week that it wanted to control all of North American Philips so that it could better coordinate its worldwide marketing strategy and react more swiftly to Japanese competitors.

North American Philips's stock fell 25 cents to close at \$33.875 Friday in trading on the New York Stock Exchange. But the share price was still well above its level of \$42 before the offer was announced Aug. 17.

Analysts said that the American company's management might ask the parent to raise its bid to as much as \$55 dollars a share.

Philips announced separately on Friday that its tender offer, managed by Goldman, Sachs & Co., had begun. The offer is scheduled to expire at midnight Sept. 18 unless extended.

North American Philips, which makes televisions and other electronic products under the Norelco, Magnavox, Philco and Sylvania names, said last week that its board had appointed a committee of outside directors to review the bid.

Philips reported net profit of 1.02 billion guilders (\$494.8 million) for 1986 on revenue of 55 billion guilders.

North American Philips's profit declined almost 16 percent last year to \$68.5 million on sales of \$4.5 billion.

Montedison has declined to comment on the latest reports. Montedison's ordinary shares closed in Milan on Friday at 2,209 lire, against 2,198 at Thursday's close.

COFFEE BEAT AGAIN? A cheap credit coffee before breakfast means energy and the mood Indigo report covers such a possibility. Write, please or later.

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**NASDAQ National Market**

OTC Consolidated trading for week ended Friday.

Sales in				Net				Sales in				Net			
100% High Low Close Chg'r				Chg'r				100% High Low Close Chg'r				Chg'r			
A								A							
ABW Bd				3297	12%			ADMAC	149	5%	4%				
ABC				143	17%			ADP	397	5%	5 1/2%				
ABD	30			182	17%			ADP	23	2%	2%				
ABE				163	2%			ADP	23	2%	2%				
ABF				180	1%			ADP	5343	13%	13%				
ABG				54	13%			ADP	65	4%	4%				
ABH				12	5%			ADP	44	5%	5%				
ABI				175	8%			ADP	249	2%	2%				
ABJ				10	5%			ADP	24	2%	2%				
ABK				10	5%			ADP	24	2%	2%				
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	Sales in 1000s	High	Low	Close	52-Week High	52-Week Low	52-Week Change
1.30	210	47.42	24.24	74	74	74	0
2.10	108	24	13.54	74	74	74	0
1.12	74	36	18.84	74	74	74	0
1.50	108	36	18.84	74	74	74	0
50	30	13.54	13.54	74	74	74	0
48	27	13.54	13.54	74	74	74	0
72	124	36	18.84	74	74	74	0
30	4	13.54	13.54	74	74	74	0
32	5	13.54	13.54	74	74	74	0
2.30	33	13.54	13.54	74	74	74	0
1.12	34	13.54	13.54	74	74	74	0
44	34	13.54	13.54	74	74	74	0
46	37	13.54	13.54	74	74	74	0
36	34	13.54	13.54	74	74	74	0
38	34	13.54	13.54	74	74	74	0
40	28	13.54	13.54	74	74	74	0
30	12	13.54	13.54	74	74	74	0
12	28	13.54	13.54	74	74	74	0
1.30	210	47.42	24.24	74	74	74	0
2.10	108	24	13.54	74	74	74	0
1.12	74	36	18.84	74	74	74	0
1.50	108	36	18.84	74	74	74	0
50	30	13.54	13.54	74	74	74	0
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32	5	13.54	13.54	74	74	74	0
2.30	33	13.54	13.54	74	74	74	0
1.12	34	13.54	13.54	74	74	74	0
44	34	13.54	13.54	74	74	74	0
46	37	13.54	13.54	74	74	74	0
36	34	13.54	13.54	74	74	74	0
38	34	13.54	13.54	74	74	74	0
40	28	13.54	13.54	74	74	74	0
30	12	13.54	13.54	74	74	74	0
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1.50	108	36	18.84	74	74	74	0
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1.12	34	13.54	13.54	74	74	74	0
44	34	13.54	13.54	74	74	74	0
46	37	13.54	13.54	74	74	74	0
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38	34	13.54	13.54	74	74	74	0
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12	28	13.54	13.54	74	74	74	0
1.30	210	47.42	24.24	74	74	74	0
2.10	108	24	13.54	74	74	74	0
1.12	74	36	18.84	74	74	74	0
1.50	108	36	18.84	74	74	74	0
50	30	13.54	13.54	74	74	74	0
48	27	13.54	13.54	74	74	74	0
72	124	36	18.84	74	74	74	0
30	4	13.54	13.54	74	74	74	0
32	5	13.54	13.54	74	74	74	0
2.30	33	13.54	13.54	74	74	74	0
1.12	34	13.54	13.54	74	74	74	0
44	34	13.54	13.54	74	74	74	0
46	37	13.54	13.54	74	74	74	0
36	34	13.54	13.54	74	74	74	0
38	34	13.54	13.54	74	74	74	0
40	28	13.54	13.54	74	74	74	0
30	12	13.54	13.54	74	74	74	0
12	28	13.54	13.54	74	74	74	0
1.30	210	47.42	24.24	74	74	74	0
2.10	108	24	13.54	74	74	74	0
1.12	74	36	18.84	74	74	74	0
1.50	108	36	18.84	74	74	74	0
50	30	13.54	13.54	74	74	74	0
48	27	13.54	13.54	74	74	74	0
72	124	36	18.84	74	74	74	0
30	4	13.54	13.54	74	74	74	0
32	5	13.54	13.54	74	74	74	0
2.30	33	13.54	13.54	74	74	74	0
1.12	34	13.54	13.54	74	74	74	0
44	34	13.54	13.54	74	74	74	0
46	37	13.54	13.54	74	74	74	0
36	34	13.54	13.54	74	74	74	0
38	34	13.54	13.54	74	74	74	0
40	28	13.54	13.54	74	74	74	0
30	12	13.54	13.54	74	74	74	0
12	28	13.54	13.54	74	74	74	0
1.30	210	47.42	24.24	74	74	74	0
2.10	108	24	13.54	74	74	74	0
1.12	74	36	18.84	74	74	74	0
1.50	108	36	18.84	74	74	74	0
50	30	13.54	13.54	74	74	74	0
48	27	13.54	13.54	74	74	74	0
72	124	36	18.84	74	74	74	0
30	4	13.54	13.54	74	74	74	0
32	5	13.54	13.54	74	74	74	0
2.30	33	13.54	13.54	74	74	74	0
1.12	34	13.54	13.54	74	74	74	0
44	34	13.54	13.54	74	74	74	0
46	37	13.54	13.54	74	74	74	0
36	34	13.54	13.54	74	74	74	0
38	34	13.54	13.54	74	74	74	0
40	28	13.54	13.54	74	74	74	0
30	12	13.54	13.54	74	74	74	0
12	28	13.54	13.54	74	74	74	0
1.30	210	47.42	24.24	74	74	74	0
2.10	108	24	13.54	74	74	74	0
1.12	74	36	18.84	74	74	74	0
1.50	108	36	18.84	74	74	74	0
50	30	13.54	13.54	74	74	74	0
48	27	13.54	13.54	74	74	74	0
72	124	36	18.84	74	74	74	0
30	4	13.54	13.54	74	74	74	0
32	5	13.54	13.54	74	74	74	0
2.30	33	13.54	13.54	74	74	74	0
1.12	34	13.54	13.54	74	74	74	0
44	34	13.54	13.54	74	74	74	0
46	37	13.54	13.54	74	74	74	0
36	34	13.54	13.54	74	74	74	0
38	34	13.54	13.54	74	74	74	0
40	28	13.54	13.54	74	74	74	0
30	12	13.54	13.54	74	74	74	0
12	28	13.54	13.54	74	74	74	0
1.30	210	47.42	24.24	74	74	74	0
2.10	108	24	13.54	74	74	74	0
1.12	74	36	18.84	74	74	74	0
1.50	108	36	18.84	74	74	74	0
50	30	13.54	13.54	74	74	74	0
48	27	13.54	13.54	74	74	74	0
72	124	36	18.84	74	74	74	0
30	4	13.54	13.54	74	74	74	0
32	5	13.54	13.54	74	74	74	0
2.30	33	13.54	13.54	74	74	74	0
1.12	34	13.54	13.54	74	74	74	0
44	34	13.54	13.54	74	74	74	0
46	37	13.54	13.54	74	74	74	0
36	34	13.54	13.54	74	74	74	0
38	34	13.54	13.54	74	74	74	0
40	28	13.54	13.54	74	74	74	0
30	12	13.54	13.54	74	74	74	0
12	28	13.54	13.54	74	74	74	0
1.30	210	47.42	24.24	74	74	74	0
2.10	108	24	13.54	74	74	74	0
1.12	74	36	18.84	74	74	74	0
1.50	108	36	18.84	74	74	74	0
50	30	13.54	13.54	74	74	74	0
48	27	13.54	13.54	74	74	74	0
72	124	36	18.84	74	74	74	0
30	4	13.54	13.54	74	74	74	0
32	5	13.54	13.54	74	74	74	0
2.30	33	13.54	13.54	74	74	74	0
1.12	34	13.54	13.54	74	74	74	0
44	34	13.54	13.54	74	74	74	0
46	37	13.54	13.54	74	74	74	0
36	34	13.54	13.54	74	74	74	0
38	34	13.54	13.54	74	74	74	0
40	28	13.54	13.54	74	74	74	0
30	12	13.54	13.54	74	74	74	0
12	28	13.54	13.54	74	74	74	0
1.30	210	47.42	24.24	74	74	74	0
2.10	108	24	13.54	74	74	74	0
1.12	74	36	18.84	74	74	74	0
1.50	108	36	18.84	74	74	74	0
50	30	13.54	13.54	74	74	74	0
48	27	13.54	13.54	74	74	74	0
72	124	36	18.84	74	74	74	0
30	4	13.54	13.54	74	74	74	0
32	5	13.54	13.54	74	74	74	0
2.30							

[illegible][illegible]

## Mutual Funds

as at close of trading

[illegible][illegible][illegible][illegible]

Symbol	Price	Change	Volume	Open	High	Low	Close	Settle
IBM	128.25	0.12	100	128.13	128.25	128.13	128.25	128.25
MSFT	30.25	0.12	200	30.13	30.25	30.13	30.25	30.25
GOOG	30.25	0.12	200	30.13	30.25	30.13	30.25	30.25
AMZN	1.0	0.05	100	0.95	1.00	0.95	1.00	1.00
APPL	111.00	0.10	100	110.90	111.00	110.90	111.00	111.00
MSFT	177.00	0.00	100	177.00	177.00	177.00	177.00	177.00
GOOG	30.25	0.12	200	30.13	30.25	30.13	30.25	30.25
AMZN	1.0	0.05	100	0.95	1.00	0.95	1.00	1.00
APPL	111.00	0.10	100	110.90	111.00	110.90	111.00	111.00
MSFT	177.00	0.00	100	177.00	177.00	177.00	177.00	177.00
GOOG	30.25	0.12	200	30.13	30.25	30.13	30.25	30.25
AMZN	1.0	0.05	100	0.95	1.00	0.95	1.00	1.00
APPL	111.00	0.10	100	110.90	111.00	110.90	111.00	111.00
MSFT	177.00	0.00	100	177.00	177.00	177.00	177.00	177.00
GOOG	30.25	0.12	200	30.13	30.25	30.13	30.25	30.25
AMZN	1.0	0.05	100	0.95	1.00	0.95	1.00	1.00
APPL	111.00	0.10	100	110.90	111.00	110.90	111.00	111.00
MSFT	177.00	0.00	100	177.00	177.00	177.00	177.00	177.00
GOOG	30.25	0.12	200	30.13	30.25	30.13	30.25	30.25
AMZN	1.0	0.05	100	0.95	1.00	0.95	1.00	1.00
APPL	111.00	0.10	100	110.90	111.00	110.90	111.00	111.00
MSFT	177.00	0.00	100	177.00	177.00	177.00	177.00	177.00
GOOG	30.25	0.12	200	30.13	30.25	30.13	30.25	30.25
AMZN	1.0	0.05	100	0.95	1.00	0.95	1.00	1.00
APPL	111.00	0.10	100	110.90	111.00	110.90	111.00	111.00
MSFT	177.00	0.00	100	177.00	177.00	177.00	177.00	177.00
GOOG	30.25	0.12	200	30.13	30.25	30.13	30.25	30.25
AMZN	1.0	0.05	100	0.95	1.00	0.95	1.00	1.00
APPL	111.00	0.10	100	110.90	111.00	110.90	111.00	111.00
MSFT	177.00	0.00	100	177.00	177.00	177.00	177.00	177.00
GOOG	30.25	0.12	200	30.13	30.25	30.13	30.25	30.25
AMZN	1.0	0.05	100	0.95	1.00	0.95	1.00	1.00
APPL	111.00	0.10	100	110.90	111.00	110.90	111.00	111.00
MSFT	177.00	0.00	100	177.00	177.00	177.00	177.00	177.00
GOOG	30.25	0.12	200	30.13	30.25	30.13	30.25	30.25
AMZN	1.0	0.05	100	0.95	1.00	0.95	1.00	1.00
APPL	111.00	0.10	100	110.90	111.00	110.90	111.00	111.00
MSFT	177.00	0.00	100	177.00	177.00	177.00	177.00	177.00
GOOG	30.25	0.12	200	30.13	30.25	30.13	30.25	30.25
AMZN	1.0	0.05	100	0.95	1.00	0.95	1.00	1.00
APPL	111.00	0.10	100	110.90	111.00	110.90	111.00	111.00
MSFT	177.00	0.00	100	177.00	177.00	177.00	177.00	177.00
GOOG	30.25	0.12	200	30.13	30.25	30.13	30.25	30.25
AMZN	1.0	0.05	100	0.95	1.00	0.95	1.00	1.00
APPL	111.00	0.10	100	110.90	111.00	110.90	111.00	111.00
MSFT	177.00	0.00	100	177.00	177.00	177.00	177.00	177.00
GOOG	30.25	0.12	200	30.13	30.25	30.13	30.25	30.25
AMZN	1.0	0.05	100	0.95	1.00	0.95	1.00	1.00
APPL	111.00	0.10	100	110.90	111.00	110.90	111.00	111.00
MSFT	177.00	0.00	100	177.00	177.00	177.00	177.00	177.00
GOOG	30.25	0.12	200	30.13	30.25	30.13	30.25	30.25
AMZN	1.0	0.05	100	0.95	1.00	0.95	1.00	1.00
APPL	111.00	0.10	100	110.90	111.00	110.90	111.00	111.00
MSFT	177.00	0.00	100	177.00	177.00	177.00	177.00	177.00
GOOG	30.25	0.12	200	30.13	30.25	30.13	30.25	30.25
AMZN	1.0	0.05	100	0.95	1.00	0.95	1.00	1.00
APPL	111.00	0.10	100	110.90	111.00	110.90	111.00	111.00
MSFT	177.00	0.00	100	177.00	177.00	177.00	177.00	177.00
GOOG	30.25	0.12	200	30.13	30.25	30.13	30.25	30.25
AMZN	1.0	0.05	100	0.95	1.00	0.95	1.00	1.00
APPL	111.00	0.10	100	110.90	111.00	110.90	111.00	111.00
MSFT	177.00	0.00	100	177.00	177.00	177.00	177.00	177.00
GOOG	30.25	0.12	200	30.13	30.25	30.13	30.25	30.25
AMZN	1.0	0.05	100	0.95	1.00	0.95	1.00	1.00
APPL	111.00	0.10	100	110.90	111.00	110.90	111.00	111.00
MSFT	177.00	0.00	100	177.00	177.00	177.00	177.00	177.00
GOOG	30.25	0.12	200	30.13	30.25	30.13	30.25	30.25
AMZN	1.0	0.05	100	0.95	1.00	0.95	1.00	1.00
APPL	111.00	0.10	100	110.90	111.00	110.90	111.00	111.00
MSFT	177.00	0.00	100	177.00	177.00	177.00	177.00	177.00
GOOG	30.25	0.12	200	30.13	30.25	30.13	30.25	30.25
AMZN	1.0	0.05	100	0.95	1.00	0.95	1.00	1.00
APPL	111.00	0.10	100	110.90	111.00	110.90	111.00	111.00
MSFT	177.00	0.00	100	177.00	177.00	177.00	177.00	177.00
GOOG	30.25	0.12	200	30.13	30.25	30.13	30.25	30.25
AMZN	1.0	0.05	100	0.95	1.00	0.95	1.00	1.00
APPL	111.00	0.10	100	110.90	111.00	110.90	111.00	111.00
MSFT	177.00	0.00	100	177.00	177.00	177.00	177.00	177.00
GOOG	30.25	0.12	200	30.13	30.25	30.13	30.25	30.25
AMZN	1.0	0.05	100	0.95	1.00	0.95	1.00	1.00
APPL	111.00	0.10	100	110.90	111.00	110.90	111.00	111.00
MSFT	177.00	0.00	100	177.00	177.00	177.00	177.00	177.00
GOOG	30.25	0.12	200	30.13	30.25	30.13	30.25	30.25
AMZN	1.0	0.05	100	0.95	1.00	0.95	1.00	1.00
APPL	111.00	0.10	100	110.90	111.00	110.90	111.00	111.00
MSFT	177.00	0.00	100	177.00	177.00	177.00	177.00	177.00
GOOG	30.25	0.12	200	30.13	30.25	30.13	30.25	30.25
AMZN	1.0	0.05	100	0.95	1.00	0.95	1.00	1.00
APPL	111.00	0.10	100	110.90	111.00	110.90	111.00	111.00
MSFT	177.00	0.00	100	177.00	177.00	177.00	177.00	177.00
GOOG	30.25	0.12	200	30.13	30.25	30.13	30.25	30.25
AMZN	1.0	0.05	100	0.95	1.00	0.95	1.00	1.00
APPL	111.00	0.10	100	110.90	111.00	110.90	111.00	111.00
MSFT	177.00	0.00	100	177.00	177.00	177.00	177.00	177.00
GOOG	30.25	0.12	200	30.13	30.25	30.13	30.25	30.25
AMZN	1.0	0.05	100	0.95	1.00	0.95	1.00	1.00
APPL	111.00	0.10	100	110.90	111.00	110.90	111.00	111.00
MSFT	177.00	0.00	100	177.00	177.00	177.00	177.00	177.00
GOOG	30.25	0.12	200	30.13	30.25	30.13	30.25	30.25
AMZN	1.0	0.05	100	0.95	1.00	0.95	1.00	1.00
APPL	111.00	0.10	100	110.90	111.00	110.90	111.00	111.00
MSFT	177.00	0.00	100	177.00	177.00	177.00	177.00	177.00
GOOG	30.25	0.12	200	30.13	30.25	30.13	30.25	30.25
AMZN	1.0	0.05	100	0.95	1.00	0.95	1.00	1.00
APPL	111.00	0.10	100	110.90	111.00	110.90	111.00	111.00
MSFT	177.00	0.00	100	177.00	177.00	177.00	177.00	177.00
GOOG	30.25	0.12	200	30.13	30.25	30.13	30.25	30.25
AMZN	1.0	0.05	100	0.95	1.00	0.95	1.00	1.00
APPL	111.00	0.10	100	110.90	111.00	110.90	111.00	111.00
MSFT	177.00	0.00	100	177.00	177.00	177.00	177.00	177.00
GOOG	30.25	0.12	200	30.13	30.25	30.13	30.25	30.25
AMZN	1.0	0.05	100	0.95	1.00	0.95	1.00	1.00
APPL	111.00	0.10	100	110.90	111.00	110.90	111.00	111.00
MSFT	177.00	0.00	100	177.00	177.00	177.00	177.00	177.00
GOOG	30.25	0.12	200	30.13	30.25	30.13	30.25	30.25
AMZN	1.0	0.05	100	0.95	1.00	0.95	1.00	1.00
APPL	111.00	0.10	100	110.90	111.00	110.90	111.00	111.00
MSFT	177.00	0.00	100	177.00	177.00	177.00	177.00	177.00
GOOG	30.25	0.12	200	30.13	30.25	30.13	30.25	30.25
AMZN	1.0	0.05	100	0.95	1.00	0.95	1.00	1.00
APPL	111.00	0.10	100	110.90	111.00	110.90	111.00	111.00
MSFT	177.00	0.00	100	177.00	177.00	177.00	177.00	177.00
GOOG	30.25	0.12	200	30.13	30.25	30.13	30.25	30.25
AMZN	1.0	0.05	100	0.95	1.00	0.95	1.00	1.00
APPL	111.00	0.10	100	110.90	111.00	110.90	111.00	111.00
MSFT	177.00	0.00	100	177.00	177.00	177.00	177.00	177.00
GOOG	30.25	0.12	200	30.13	30.25	30.13	30.25	30.25
AMZN	1.0	0.05	100	0.95	1.00	0.95	1.00	1.00
APPL	111.00	0.10	100	110.90	111.00	110.90	111.00	111.00
MSFT	177.00	0.00	100	177.00	177.00	177.00	177.00	177.00
GOOG	30.25	0.12	200	30.13	30.25	30.13	30.25	30.25
AMZN	1.0	0.05	100	0.95	1.00	0.95	1.00	1.00
APPL	111.00	0.10	100	110.90	111.00	110.90	111.00	111.00
MSFT	177.00	0.00	100	177.00	177.00	177.00	177.00	177.00
GOOG	30.25	0.12	200	30.13	30.25	30.13	30.25	30.25
AMZN	1.0	0.05	100	0.95	1.00	0.95	1.00	1.00
APPL	111.00	0.10	100	110.90	111.00	110.90	111.00	111.00
MSFT	177.00	0.00	100	177.00	177.00	177.00	177.00	177.00

		Options & prices		Costs		Puts	
	11	120	15	r	r	10	
	12	120	15	r	r	10	
	13	120	15	r	r	10	
	14	120	15	r	r	10	
	15	120	15	r	r	10	
	16	120	15	r	r	10	
	17	120	15	r	r	10	
	18	120	15	r	r	10	
	19	120	15	r	r	10	
	20	120	15	r	r	10	
	21	120	15	r	r	10	
	22	120	15	r	r	10	
	23	120	15	r	r	10	
	24	120	15	r	r	10	
	25	120	15	r	r	10	
	26	120	15	r	r	10	
	27	120	15	r	r	10	
	28	120	15	r	r	10	
	29	120	15	r	r	10	
	30	120	15	r	r	10	
	31	120	15	r	r	10	
	32	120	15	r	r	10	
	33	120	15	r	r	10	
	34	120	15	r	r	10	
	35	120	15	r	r	10	
	36	120	15	r	r	10	
	37	120	15	r	r	10	
	38	120	15	r	r	10	
	39	120	15	r	r	10	
	40	120	15	r	r	10	
	41	120	15	r	r	10	
	42	120	15	r	r	10	
	43	120	15	r	r	10	
	44	120	15	r	r	10	
	45	120	15	r	r	10	
	46	120	15	r	r	10	
	47	120	15	r	r	10	
	48	120	15	r	r	10	
	49	120	15	r	r	10	
	50	120	15	r	r	10	
	51	120	15	r	r	10	
	52	120	15	r	r	10	
	53	120	15	r	r	10	
	54	120	15	r	r	10	
	55	120	15	r	r	10	
	56	120	15	r	r	10	
	57	120	15	r	r	10	
	58	120	15	r	r	10	
	59	120	15	r	r	10	
	60	120	15	r	r	10	
	61	120	15	r	r	10	
	62	120	15	r	r	10	
	63	120	15	r	r	10	
	64	120	15	r	r	10	
	65	120	15	r	r	10	
	66	120	15	r	r	10	
	67	120	15	r	r	10	
	68	120	15	r	r	10	
	69	120	15	r	r	10	
	70	120	15	r	r	10	
	71	120	15	r	r	10	
	72	120	15	r	r	10	
	73	120	15	r	r	10	
	74	120	15	r	r	10	
	75	120	15	r	r	10	

[illegible]

## American Exchange Options

Figures as of close of trading Friday

[illegible]



# YEN: As Currency Surges, Race to Become 'Next Japan' Brings Asia New Wealth, Alliances

## ZENITH: In American TVs, Only One Maker Remains

(Continued from Page 1)

which is likely to lead to a more sophisticated capital market and financial services industry.

"Korea's capital markets will be growing substantially," said Shin Chul Kyoo, senior executive vice president of Hyundai Engineering & Construction Co., part of the giant Hyundai group. As a result, he said, Hyundai plans to become more involved in financial services.

Yet Korea and Taiwan complain that just as they are beginning to benefit from the yen's rise, the United States is increasing the pressure on them to raise their own exchange rates.

American officials have forced Taiwan to accept a 23 percent appreciation of the Taiwan dollar since early last year, while the South Korean won has risen 7 percent so far in 1987. But these increases are slight against compared with that of the yen, so almost all countries still find it cheaper to import from Taiwan than from Japan.

American officials want the Taiwanese and Korean currencies to appreciate because they fear that

otherwise, Japan's enormous trade surplus with the United States could simply be redistributed to other countries in the region.

That redistribution may be one reason why Japan's trade surplus seems to be abating more quickly than the U.S. trade deficit.

The U.S. merchandise trade deficit widened to \$15.7 billion in June and would have been a monthly record if a new method for calculating trade figures had not been instituted. Japan's trade surplus with the United States rose 6 percent in July from a year earlier but its global surplus fell almost 15 percent.

Meanwhile, just as the high dollar of a few years ago drove U.S. companies to move production offshore, Japanese companies are building factories all around the world to take advantage of cheaper currencies and lower wage costs.

Last year Japanese companies invested in foreign factories and real estate valued at \$14.3 billion, more than double the \$6 billion in 1984. A Japanese government study suggested recently that this will rise rapidly, hitting \$42 billion by 1991.

For example, Aika Co., the Japanese electronics company, eliminated more than 1,000 production jobs in Japan and set up shop in Singapore. By the end of the year, Singapore will account for more than 30 percent of Aika's production.

As other companies also move production offshore, Japan's unemployment rate has risen to what is considered in Japan the shocking level of 3 percent.

As a result of such company moves, some of Japan's biggest imports may be Japanese products, but manufactured elsewhere. And the United States may find that instead it may be importing Japanese typewriters made in Taiwan.

Yet the yen's rise is not altogether a blessing for Japan's neighbors. C.C. Willis, head of the Seoul office of Jardine Fleming Securities, said that some Korean companies face difficulties because they import Japanese components that have become more expensive with the yen's rise against the Korean won. But Korea's overall global trade surplus is soaring, and in

time, analysts say, Korea will find other sources of components.

Another concern for some of Japan's neighbors is that they have borrowed yen, so that in dollar terms their loans are getting larger.

Indonesia, for example, reports that 36 percent of its government foreign debt is in yen, and that the yen's rise over the last two years has added \$4 billion to the size of its debt, measured in dollars. Since most of its income comes from commodities, priced in dollars, the larger debts are difficult to pay.

### Mellon Files Offerings To Raise \$300 Million

**PITTSBURGH** — Mellon Bank Corp. has filed a registration statement for an offering of \$200 million of convertible subordinated capital notes due in 1999 and \$100 million of state-rated auction preferred stock.

The notes will be convertible into shares of Mellon Bank common stock.

The yen's rise is also making strange alliances. China, for example, is looking to two nominal enemies, Taiwan and South Korea, to supply what it used to obtain from Japan. This includes machine tools, industrial equipment, chemicals, cars and electronic equipment.

Taiwan bans direct trade with the mainland, but Hong Kong trade statistics show that at least \$953 million worth of goods and services flowed between Taiwan and China last year via Hong Kong. In the first half of this year, trade was running nearly double last year's pace.

China's support for North Korea has prevented any diplomatic relations with South Korea, but indirect trade between the two countries, via Hong Kong, officially amounted to \$653 million last year and may have been significantly higher. So far this year, South Korea's exports to China are running at twice last year's rate.

Western and Asian diplomats in Seoul and Hong Kong say that North Korea is increasingly concerned about becoming isolated and losing influence with Beijing.

(Continued from first finance page)

cost foreign competition as any industry.

Zenith long has been in the forefront of industry complaints about dumping, or selling below cost price, of sets on the U.S. market by Asian competitors. The fierce competition that drove out its U.S. competitors also has battered Zenith's profits.

"They have exploited the market through dumping," Mr. Pearlman said of the Asian competitors.

The numbers cited to back up his point are staggering. In the fastest-growing part of the business, televisions with 13-to-20-inch (33-to-51-centimeter) picture screens, the foreign share of the U.S. market has jumped to nearly 75 percent, from 25 percent in 1982.

"Our belief is that those are ill-gotten gains," Mr. Pearlman said.

Mr. Pearlman said he hopes that trade legislation will help remove the advantages and bring the costs to foreign manufacturers more in line with those of American makers, so that prices, and profits, will go up. "It's a business that needs to have the anchor of Korean pricing

raised," he said. "The entire industry needs a price increase."

While televisions have long been Zenith's strength, the company also has quietly become a formidable force in the computer business. Zenith will sell more than \$1 billion of computers this year, twice as many as last year, and as much as the company will bring in from its TV business.

Zenith, which moved into the computer business in the late 1970s, made an early decision to let other companies fight it out in the business-computer market while it sold machines to government and university customers.

By doing so, it figured, it could save its advertising budget and spend the money on technology that those specialized markets would appreciate and on keeping prices down.

"We said, where can we spend money only in relation to our volume and find a customer who will appreciate our technology?" Mr. Pearlman said. "We said, we'll go after them with super hardware and price."

While Zenith computers are

IBM compatible, they are distinguished from the competition by price, ease of use, and such features as the FTM screen and Zenith's huge-selling lap-top computer.

That, Mr. Pearlman said, "has been a big help in trying to deal with the more-sophisticated customer."

Just doing an IBM copy leaves you with only one marketing strategy, and that's price," he added.

Zenith gets high marks from analysts for its computer strategy, and its success in using the computer business to cover hard times in the TV field.

"They've successfully developed a non-consumer business in the computer and components business," said Charles Ryan, an analyst at Merrill Lynch & Co., "and it's growing at a phenomenally good rate."

Analysts are also optimistic that the company's TV business is headed for earnings improvement as foreign makers deal with new trade laws and currency revaluations.

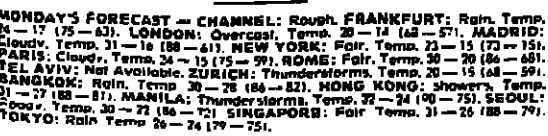
"I think they're on the threshold of some earnings gains," Mr. Ryan said.

## NASDAQ National Market

OTC Consolidated trading for week ended Friday.

Symbol	Price	Change	Volume	Open	High	Low	Close	Net
AA	10.00	0.00	100	10.00	10.00	10.00	10.00	0.00
ABC	15.00	0.00	200	15.00	15.00	15.00	15.00	0.00
DEF	20.00	0.00	300	20.00	20.00	20.00	20.00	0.00
GHI	25.00	0.00	400	25.00	25.00	25.00	25.00	0.00
JKL	30.00	0.00	500	30.00	30.00	30.00	30.00	0.00
MNO	35.00	0.00	600	35.00	35.00	35.00	35.00	0.00
PQR	40.00	0.00	700	40.00	40.00	40.00	40.00	0.00
STU	45.00	0.00	800	45.00	45.00	45.00	45.00	0.00
VWX	50.00	0.00	900	50.00	50.00	50.00	50.00	0.00
YZA	55.00	0.00	1000	55.00	55.00	55.00	55.00	0.00
BCD	60.00	0.00	1100	60.00	60.00	60.00	60.00	0.00
EFG	65.00	0.00	1200	65.00	65.00	65.00	65.00	0.00
HIJ	70.00	0.00	1300	70.00	70.00	70.00	70.00	0.00
KLM	75.00	0.00	1400	75.00	75.00	75.00	75.00	0.00
NOP	80.00	0.00	1500	80.00	80.00	80.00	80.00	0.00
QRS	85.00	0.00	1600	85.00	85.00	85.00	85.00	0.00
TUV	90.00	0.00	1700	90.00	90.00	90.00	90.00	0.00
WXY	95.00	0.00	1800	95.00	95.00	95.00	95.00	0.00
ZAB	100.00	0.00	1900	100.00	100.00	100.00	100.00	0.00
ACD	105.00	0.00	2000	105.00	105.00	105.00	105.00	0.00
BEF	110.00	0.00	2100	110.00	110.00	110.00	110.00	0.00
GHI	115.00	0.00	2200	115.00	115.00	115.00	115.00	0.00
JKL	120.00	0.00	2300	120.00	120.00	120.00	120.00	0.00
MNO	125.00	0.00	2400	125.00	125.00	125.00	125.00	0.00
PQR	130.00	0.00	2500	130.00	130.00	130.00	130.00	0.00
STU	135.00	0.00	2600	135.00	135.00	135.00	135.00	0.00
VWX	140.00	0.00	2700	140.00	140.00	140.00	140.00	0.00
YZA	145.00	0.00	2800	145.00	145.00	145.00	145.00	0.00
BCD	150.00	0.00	2900	150.00	150.00	150.00	150.00	0.00
EFG	155.00	0.00	3000	155.00	155.00	155.00	155.00	0.00
HIJ	160.00	0.00	3100	160.00	160.00	160.00	160.00	0.00
KLM	165.00	0.00	3200	165.00	165.00	165.00	165.00	0.00
NOP	170.00	0.00	3300	170.00	170.00	170.00	170.00	0.00
QRS	175.00	0.00	3400	175.00	175.00	175.00	175.00	0.00
TUV	180.00	0.00	3500	180.00	180.00	180.00	180.00	0.00
WXY	185.00	0.00	3600	185.00	185.00	185.00	185.00	0.00
ZAB	190.00	0.00	3700	190.00	190.00	190.00	190.00	0.00
ACD	195.00	0.00	3800	195.00	195.00	195.00	195.00	0.00
BEF	200.00	0.00	3900	200.00	200.00	200.00	200.00	0.00
GHI	205.00	0.00	4000	205.00	205.00	205.00	205.00	0.00
JKL	210.00	0.00	4100	210.00	210.00	210.00	210.00	0.00
MNO	215.00	0.00	4200	215.00	215.00	215.00	215.00	0.00
PQR	220.00	0.00	4300	220.00	220.00	220.00	220.00	0.00
STU	225.00	0.00	4400	225.00	225.00	225.00	225.00	0.00
VWX	230.00	0.00	4500	230.00	230.00	230.00	230.00	0.00
YZA	235.00	0.00	4600	235.00	235.00	235.00	235.00	0.00
BCD	240.00	0.00	4700	240.00	240.00	240.00	240.00	0.00
EFG	245.00	0.00	4800	245.00	245.00	245.00	245.00	0.00
HIJ	250.00	0.00	4900	250.00	250.00	250.00	250.00	0.00
KLM	255.00	0.00	5000	255.00	255.00	255.00	255.00	0.00
NOP	260.00	0.00	5100	260.00	260.00	260.00	260.00	0.00
QRS	265.00	0.00	5200	265.00	265.00	265.00	265.00	0.00
TUV	270.00	0.00	5300	270.00	270.00	270.00	270.00	0.00
WXY	275.00	0.00	5400	275.00	275.00	275.00	275.00	0.00
ZAB	280.00	0.00	5500	280.00	280.00	280.00	280.00	0.00
ACD	285.00	0.00	5600	285.00	285.00	285.00	285.00	0.00
BEF	290.00	0.00	5700	290.00	290.00	290.00	290.00	0.00
GHI	295.00	0.00	5800	295.00	295.00	295.00	295.00	0.00
JKL	300.00	0.00	5900	300.00	300.00	300.00	300.00	0.00
MNO	305.00	0.00	6000	305.00	305.00	305.00	305.00	0.00
PQR	310.00	0.00	6100	310.00	310.00	310.00	310.00	0.00
STU	315.00	0.00	6200	315.00	315.00	315.00	315.00	0.00
VWX	320.00	0.00	6300	320.00	320.00	320.00	320.00	0.00
YZA	325.00	0.00	6400	325.00	325.00	325.00	325.00	0.00
BCD	330.00	0.00	6500	330.00	330.00	330.00	330.00	0.00
EFG	335.00	0.00	6600	335.00	335.00	335.00	335.00	0.00
HIJ	340.00	0.00	6700	340.00	340.00	340.00	340.00	0.00
KLM	345.00	0.00	6800	345.00	345.00	345.00	345.00	0.00
NOP	350.00	0.00	6900	350.00	350.00	350.00	350.00	0.00
QRS	355.00	0.00	7000	355.00	355.00	355.00	355.00	0.00
TUV	360.00	0.00	7100	360.00	360.00	360.00	360.00	0.00
WXY	365.00	0.00	7200	365.00	365.00	365.00	365.00	0.00
ZAB	370.00	0.00	7300	370.00	370.00	370.00	370.00	0.00
ACD	375.00	0.00	7400	375.00	375.00	375.00	375.00	0.00
BEF	380.00	0.00	7500	380.00	380.00	380.00	380.00	0.00
GHI	385.00	0.00	7600	385.00	385.00	385.00	385.00	0.00
JKL	390.00	0.00	7700	390.00	390.00	390.00	390.00	0.00
MNO	395.00	0.00	7800	395.00	395.00	395.00	395.00	0.00
PQR	400.00	0.00	7900	400.00	400.00	400.00	400.00	0.00
STU	405.00	0.00	8000	405.00	405.00	405.00	405.00	0.00
VWX	410.00	0.00	8100	410.00	410.00	410.00	410.00	0.00
YZA	415.00	0.00	8200	415.00	415.00	415.00	415.00	0.00
BCD	420.00	0.00	8300	420.00	420.00	420.00	420.00	0.00
EFG	425.00	0.00	8400	425.00	425.00	425.00	425.00	0.00
HIJ	430.00	0.00	8500	430.00	430.00	430.00	430.00	0.00
KLM	435.00	0.00	8600	435.00	435.00	435.00	435.00	0.00
NOP	440.00	0.00	8700	440.00	440.00	440.00	440.00	0.00
QRS	445.00	0.00	8800	445.00	445.00	445.00	445.00	0.00
TUV	450.00	0.00	8900	450.00	450.00	450.00	450.00	0.00
WXY	455.00	0.00	9000	455.00	455.00	455.00	455.00	0.00
ZAB	460.00	0.00	9100	460.00	460.00	460.00	460.00	0.00
ACD	465.00	0.00	9200	465.00	465.00	465.00	465.00	0.00
BEF	470.00	0.00	9300	470.00	470.00	470.00	470.00	0.00
GHI	475.00	0.00	9400	475.00	475.00	475.00	475.00	0.00
JKL	480.00	0.00	9500	480.00	480.00	480.00	480.00	0.00
MNO	485.00	0.00	9600	485.00	485.00	485.00	485.00	0.00
PQR	490.00	0.00	9700	490.00	490.00	490.00	490.00	0.00
STU	495.00	0.00	9800	495.00	495.00	495.00	495.00	0.00
VWX	500.00	0.00	9900	500.00	500.00	500.00	500.00	0.00
YZA	505.00	0.00	10000	505.00	505.00	505.00	505.00	0.00





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the expected "summer rally" again missed its appointment last week and the CAC index also moved lower; Siemens was off 1.25 to 100.75 and Elf Aquitaine down 3.75 to 92.

**GARFIELD**

STUPID PET DOOR!

I THOUGHT DON FIXED IT!

UNNNNGH!

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## SPORTS

## Red Sox Sweep Twins in 3-Game Series

Compiled by Our Staff From Dispatches  
**BOSTON** — Don Baylor belted his 12th career grand-slam home run and Dwight Evans followed with his 29th homer of the season to help the Boston Red Sox defeat the Minnesota Twins, 6-4, and complete a three-game series sweep of the Twins, the leaders in the American League West Division. Minnesota, which entered the

series with a two-game edge over Oakland, completed a winless road trip at 0-6.

Boston's starter, Jeff Sellers (5-6), allowed six hits, walked one and struck out a career-high 10 before leaving the game after 7½ innings because of a muscle strain in his right hip. Wes Gardner relieved, pitching 1½ innings for his sixth save. Steve Carlton, Minnesota's

starter, fell to 6-13. With the Twins holding a 4-1 advantage, the Red Sox scored five runs in the fifth to chase Carlton. Ellis Burks reached on a bunt single, Marty Barrett singled to right and Wade Boggs walked to load the

bases. Baylor followed by belting a 2-0 pitch into the left-field screen for his 16th homer of the season. Baylor has the second most grand slams among active players, following Eddie Murray of Baltimore, who has 14.

Juan Berenguer, who was re-activated from the 15-day disabled list Saturday, relieved, and Evans greeted him with a towering drive over the left-field wall to give the Red Sox a 6-4 lead.

Minnesota had gone ahead 4-0 in the third on Kent Hrbek's two-out, two-run homer. Greg Gagne lined a one-out single to right and Hrbek sent the first pitch into the right-field seats for his 31st home run.

The Twins took a 2-0 lead in the second on consecutive home runs by Gary Gaetti, his 27th, and Roy Smalley, his eighth.

Dave Henderson drew a one-out, bases-loaded walk to cut the score to 4-1 in the fourth, before Spike Owen bounced into a double play to end the inning.

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## Padres Win Disputed Game, 8-3

Compiled by Our Staff From Dispatches  
**NEW YORK** — Randy Ready and John Kruk both hit home runs Saturday night to lift the San Diego Padres to a controversial 8-3 victory over the New York Mets.

Ready put the Padres in front with a two-run homer off Sid Fernandez in the second inning. Kruk

hit a sacrifice fly in the third and his 17th home run of the year leading off the sixth, when the Padres scored twice, made it 5-0.

Trailing by 6-3, New York had a run nullified in the eighth, when umpire Dick Stello put a second ball in play and led the Mets to protest the game.

When Darryl Strawberry swung at a 1-1 pitch, the ball rolled away from catcher Benito Santiago. Runners Tim Lincecum and Keith Hernandez advanced, but Stello tossed a new ball to pitcher Rich Gossage while Teufel was heading toward the plate.

Stello stopped Teufel and waved Gossage away, but Teufel subsequently stepped on the plate before the four umpires conferred, ruled a foul ball and sent both runners back to their original bases. Strawberry then struck out, Kevin McReynolds fouled out and the Mets did not score in the inning.

"He said that the ball was out of play," Teufel said. "It was a crazy play, especially when he threw the ball out of his pouch. Goose was going to tag me with that one, and I said 'Wait a minute—a minute ago the ball was back by the screen, now he's standing here with one?'"

"I thought I told Teufel it was a foul ball. I was confused for some reason," Stello said. "I called it foul right away, but maybe I had something else on my mind. I thought the catcher had the ball and then I saw the one back on the screen. The next thing I know, I see all these runners running. I saw the catcher

running around to the left, and I was confused."

Mark Davis, the second of four Padres pitchers, allowed two runs in four innings for the victory. He relieved starter Ed Whitson, who was struck by a line drive on the right hand and left the game in the third. Gossage pitched two innings for his 11th save of the season.

Philippes 2, Dodgers 0: In Philadelphia, Mike Maddux, just up from the minors, pitched seven shutout innings and Luis Aguayo's groundout in the seventh scored the deciding run.

Astros 5, Cubs 4: In Chicago, Kevin Bass homered in the top of the 11th to give Houston its victory. Chicago's Andre Dawson hit his fifth home run in three days.

Cardinals 9, Reds 7: In Cincinnati, Terry Pendleton's two-strike, two-out triple with the bases loaded capped a four-run seventh that rallied St. Louis past the Reds.

Braves 10, Pirates 3: In Atlanta, left-hander Tom Glavine earned his first major-league victory and Glenn Hubbard's two-run double led an eight-run fifth as the Braves romped Pittsburgh.

Expos 5, Giants 4: In Montreal, Tim Lincecum tripled home Mitch Webster in the 10th to push the Expos past San Francisco.

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Mariners 14, Orioles 6: In Seattle, Mark Langston, backed by a season-high 18-hit attack, posted his 14th victory Saturday night to help the Mariners defeat Baltimore.

(UPI, AP)



Minnesota catcher Sal Butera lost control of the relay throw, allowing Marty Barrett to score on Dwight Evans's fifth-inning sacrifice fly Saturday in Boston. The Red Sox won, 6-5.

## Java Gold Rallies in Muddy Traverses Stakes

By Andrew Beyer  
 Washington Post Service  
**SARATOGA SPRINGS, N.Y.** — Heavy rain turned Saturday's Traverses Stakes into a championship confrontation into a test of which horse could handle the Saratoga slop, and Java Gold won that test decisively.

He rallied from nearly 20 lengths behind and flew past Cryptoclearance in the final eighth of a mile (200 meters) to win the \$1,123,000 race by two lengths. Polish Navy was a distant third.

Alysheba and Bet Twice, who had dominated the Triple Crown series and were the favorites here along with Java Gold, were both soundly beaten. Bet Twice faded to fifth by a jockey's length and Alysheba never got into contention at all, finishing 20 lengths behind in sixth place.

Java Gold had come into the Traverses as the unknown quantity in the all-star field. Trainer Mack Miller had kept him out of the Triple Crown series and geared him for a late-season campaign, and the colt rewarded his patience by win-

ning the Whitney Handicap here two weeks ago. But it was uncertain whether he would be able to handle rivals like Alysheba and Bet Twice — until rain started falling here at 8 A.M. and by noon had turned the track into a sea of mud.

Java Gold had run on wet tracks three times this year and had won easily each time, neither of his principal rivals had ever contested in the slop. The rain proved to be much more than an equalizer.

Jockey Pat Day could not even see the leaders in the early stages of the Traverses, but he wasn't concerned — and didn't need to be. Temperate Sil and Gorky, who had been entered to be a pacesetter for his stablemate Gulch, were racing head and head and setting a fast pace, covering the first half mile in 46.13 seconds and six furlongs in 1:10 flat.

That wouldn't have been a good idea on any track, and in Saturday's mud slop horses had been having no success. Although he was dead last after six furlongs, Day was still in no hurry. "I wasn't concerned at any point," he said. "I

knew the speed was going to come back to me."

And it did — both the pacesetters would lose by more than 20 lengths. But as the leaders started timing, Bet Twice and Polish Navy looked as if they were going to take command. The two had been stalking the pair in front, and now they swooped past and battled for the lead. But both may have been moving precariously. Almost as soon as they took charge they started to fade, and Cryptoclearance started to make his move.

He took over in midstretch, but as he did Day was putting Java Gold into high gear. Even when Cryptoclearance was momentarily about two lengths in front, it was apparent he wouldn't be able to withstand the late charge.

Java Gold hit the finish line in 2:02 for the 1¼ miles, moderate time even considering the condition of the track. Cryptoclearance was 64 lengths in front of third-place Polish Navy with Gulch fourth.

"He handled the track very well," Day said, "but I'm sure it worked to the detriment of some of the others."

This colt would run well over broken bottles. He's certainly handled every track I've ever ridden him on."

Most of the losers in the race thought the track conditions had contributed to their defeat. Bet Twice's jockey, Craig Perre, said, "When the mud started to hit him in the face, he got to thinking about it."

Said Chris McCarron, Alysheba's jockey: "When he got hit in the face with the slop, he didn't like it and just stopped trying. The problem may have been the footing, also. I think this race should be thrown out."

Such excuses are commonplace in the sport, but the finish of the race suggested strongly that the track condition was the determining factor. Four horses in the field had won stakes on off tracks, and they finished 1-2-3-4.

And the performance of Cryptoclearance further verified that the results of the Traverses don't mean much. Throughout the Triple Crown series, the colt showed that, without any doubt, he was inferior to Bet Twice and Alysheba, but on Saturday he whipped them soundly.

Stello stopped Teufel and waved Gossage away, but Teufel subsequently stepped on the plate before the four umpires conferred, ruled a foul ball and sent both runners back to their original bases. Strawberry then struck out, Kevin McReynolds fouled out and the Mets did not score in the inning.

"He said that the ball was out of play," Teufel said. "It was a crazy play, especially when he threw the ball out of his pouch. Goose was going to tag me with that one, and I said 'Wait a minute—a minute ago the ball was back by the screen, now he's standing here with one?'"

"I thought I told Teufel it was a foul ball. I was confused for some reason," Stello said. "I called it foul right away, but maybe I had something else on my mind. I thought the catcher had the ball and then I saw the one back on the screen. The next thing I know, I see all these runners running. I saw the catcher

running around to the left, and I was confused."

Mark Davis, the second of four Padres pitchers, allowed two runs in four innings for the victory. He relieved starter Ed Whitson, who was struck by a line drive on the right hand and left the game in the third. Gossage pitched two innings for his 11th save of the season.

Philippes 2, Dodgers 0: In Philadelphia, Mike Maddux, just up from the minors, pitched seven shutout innings and Luis Aguayo's groundout in the seventh scored the deciding run.

Astros 5, Cubs 4: In Chicago, Kevin Bass homered in the top of the 11th to give Houston its victory. Chicago's Andre Dawson hit his fifth home run in three days.

Cardinals 9, Reds 7: In Cincinnati, Terry Pendleton's two-strike, two-out triple with the bases loaded capped a four-run seventh that rallied St. Louis past the Reds.

Braves 10, Pirates 3: In Atlanta, left-hander Tom Glavine earned his first major-league victory and Glenn Hubbard's two-run double led an eight-run fifth as the Braves romped Pittsburgh.

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(UPI, AP)

## SCOREBOARD

## Baseball

## Friday's and Saturday's Major League Line Scores

**FRIDAY'S RESULTS**  
**AMERICAN LEAGUE**  
 Detroit 001 000 000-4 12 3  
 Cleveland 002 012 000-12 12 3  
 Detroit 001 000 000-4 12 3  
 Cleveland 002 012 000-12 12 3

**NATIONAL LEAGUE**  
 St. Louis 001 000 000-4 12 3  
 Cincinnati 002 012 000-12 12 3  
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**SATURDAY'S RESULTS**  
**AMERICAN LEAGUE**  
 Detroit 001 000 000-4 12 3  
 Cleveland 002 012 000-12 12 3  
 Detroit 001 000 000-4 12 3  
 Cleveland 002 012 000-12 12 3

**NATIONAL LEAGUE**  
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**Major League Standings**  
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## Cubans Pound U.S. Contingents in Baseball, Boxing

Compiled by Our Staff From Dispatches  
**INDIANAPOLIS** — Cubans hit Americans hard on the baseball field and in the boxing ring Saturday at the Pan American Games.

The Cuban baseball team won its fifth consecutive Pan Am Games title with a 13-9 victory over the United States, hitting three long home runs and rallying from two- and three-run deficits. The victory

avenged a 6-4 defeat by the Americans — snapping Cuba's 37-game winning streak — in the tournament round robin phase.

"The Cubans are the best specimens I've ever seen in baseball," Coach Ron Fraser said. "They probably finish about third in the American League East."

Cuba, boosted by seven golds on the penultimate day of the 16-day games, passed Canada for second place in the overall medals count. The United States led with 352 medals, including 162 gold; Cuba had 164 through Saturday, 69 of them gold. Canada was four medals behind Cuba.

In the championship baseball game, the U.S. team had nursed a 9-8 lead provided by Ed Sprague's

home run leading off the fifth inning. But an error by second baseman Ty Griffin, the hero of the earlier victory over Cuba, helped the Cubans load the bases in the eighth. Victor Mesa then singled in two runs off relief ace Cris Carpenter and Cuba added three more in the ninth.

Fraser had fretted about calling upon Carpenter, previously mired upon, and the stopper's right arm gave out before he could save the Americans again. After pitching eight innings in fewer than three days, Carpenter could not protect the one-run lead in the final two innings.

"Cris just isn't the kind of kid who will say he can't," Fraser said.

But the Cubans weren't through playing long ball. Omar Linares had a two-run homer and Casanova hit his second of the game in the fifth.

The United States had been 8-0 in the competition and felt upbeat about breaking Cuba's 20-year stranglehold. As it turned out, the Americans had to settle for silver medals and a place in the 1988 Olympics.

In boxing, Juan Lemus and Manuel Martinez outpointed Kenneth Gould and Michael Collins in the finals of the 147-pound (66.5-kilogram)



## Louis Jovet: A Curtain Call for an Actor's Actor

By Thomas Quinn Curtiss

**P**ARIS — Louis Jouvet was indisputably one of the foremost French actor-directors of his generation. He died in 1951, stricken by a heart attack during a rehearsal, and as this year marks the centenary of his birth his prodigious contribution is receiving tribute.

A play, "Elvire Jouvet 40," which shows him training actors, has been awarded several prizes and after a Paris engagement is off on a European tour. An exhibition of the scenic designs and costuming of his productions, together with scripts on which he scribbled notations, is making the rounds of festivals and museums, and many of the movies in which he appeared are being re-issued.

His essays on acting and staging have been collected in book form. Madeleine Ozeray, a leading actress of his company, and Léo Laparra, his quondam manager, have given glimpses of the man behind the mask. Jean-Marc Loubrier has published a full-scale account of the actor's career (Editions Ramsay).

He was born in Brittany on Christmas Eve, 1887, the son of middle-class parents. Educated at religious schools, he read classic drama and, participating in student plays. His family regarded acting as shameful and he was urged to study chemistry. He did and went to work in a pharmacy in the Paris suburbs where he was 18. In the evenings he haunted the playhouses and saw many of the great players of the time, among them, Sarah Bernhardt, Mounet-Sully and Réjane.

He eventually joined an acting troupe, painting scenery and becoming a competent electrician and an expert at makeup, then playing heavies in hoary melodramas and doing comic bits. His big chance came when, with a long white beard, he played Father Zossima in "The Brothers Karamazov." Jacques Copeau, the adaptor, was struck by Jovuet's remarkable resources in performing the difficult assignment.

Copeau was intent on reforming French theatrical presentation. He leased the Vieux Colombier theater and reconstructed it for his experiments. His model was the Elizabethan platform with its simplicity and its accent on text and acting. He opposed lavish decor and dazzling costuming as distractions. Jouvett joined Copeau's company and found in its fold three other aspiring young men: Charles Dullin, Georges Pitoeff and Gaston Baty. They, like Jouvett, rose to be prominent by the way of La Comedie Francaise.

Copeau opened his theater in October 1913 with a performance of Thomas Heywood's 1603 play, "A Woman Killed with Kindness." Jouvet's acting was praised by André Gide and Leon Blum, then a drama critic.

When war was declared in 1914 he spent three years at the front before he was hospitalized in 1917 and demobilized.

In 1920, after three years in New York for the French government, Jouvet and the other Vieux Colombier pioneers returned to Paris and continued their explorations of the theater's intellectual possibilities, but the public for such entertainment had dwindled. *Reves* and boulevard comedies were in favor. Pi-touff departed to produce new plays from abroad, those of O'Neill, Andreyev, Schmitzler and Shaw. Dullin withdrew to begin operations of his own at the Atelier, and Baty founded his "Chimère" group.

Jouvet was invited to take charge of the Comédie-des-Champs-Élysées as actor-producer-director and established an enormous reputation. He staged the plays of Marcel Achard, Bernard Zimmer and Stève Passeur. In Jules Romains's *Knave* he performed as the character who preys on hypochondriacs. He later appeared in two films derived from the script.

His major discovery was Jean Giraudoux, a novelist whom he persuaded to turn to playwrighting. In the mid-1930s Jouvet at last had a theater of his own: the Athénée. Its house playwright, so to speak, was Giraudoux, though other plays were included in the repertoire. Giraudoux's "Electra," "Judith," "Amphytrion 38" and his adaptation of Margaret Kennedy's novel "The Constant Nymph" were honored with exquisite exposure behind the footlights. The last of this series of close collaboration — the dreamy fantasy "Oedipus" with Madeleine Ozeray as the author — was produced in 1939, and with fairy-tale decor by Pavel Tchelitchev. It was seen in the spring of 1939. It was a swan-song to an era. On the eve of World War II, it seemed to voice in a gentle whisper the sorrows of an expiring civilization.

The government offered Jovet the administration of the Comédie-Française. He declined, but in gratitude mounted a magnificent *mise-en-scène* of Corneille's "L'Illusion comique" at the House of Molière.

Baron Henri de Rothschild, who had built the Théâtre Pigalle with the most modern technical equipment in France, implored him to guide its fortunes. Again Jovet refused, but staged on its boards Romain's "Doonogoo" and Alfred Savoir's "La Pâtisserie du Village" with its moving memories of World War I. Another important event was his direction of Jean Cocteau's *Oedipus* tragedy,

Once the talkies were established he was in demand, but he was distrustful of the medium. Still, he quickly mastered its technique and was soon a screen favorite, despite the fact he was inevitably given unsympathetic roles — a shady nightclub proprietor, a lascivious monk, a police spy, a cold-blooded detective.

When the Nazis occupied Paris in 1940 the German censors informed him that he must drop the plays of Giraudoux and Romain

from his repertory. They advised him to do Schiller instead. He applied to leave the country with members of his company and spent the remaining war years on a South American tour, homesick and in declining health.

Once Paris was liberated he returned, stirred to hear the chimes of Notre Dame ring out in victory. Girardoux had died during the Occupation, but he had willed his associate a play—"The Madwoman of Chailiot," which urged humanity to resist the unscrupulous exploiters who were lurking to take over.

In the winter of 1945 Jouvet, reinstalled at the Athénée, presented his vanished friend's morality comedy with Marguerite Moreno as the lunatic lady in her shabby finery who with *her instinctive cunning averts the catastrophe* the author feared. Jouvet took part as the philosophical vagrant from the gutter who serves as the prime minister of the madwoman's eccentric court. Christian Bérard designed the atmospheric setting reflecting the script's moods, and the production became a

Jouvet retained his interest in new authors, but he had certain prejudices. One of these concerned Jean Anouilh. After Anouilh read him his comedy, "The Waltz of the Toreadors," Jouvet discussed it with an intimate. "It's a good play, well-written and well-constructed, but I won't do it," he announced. "Why? That's simple. I have no wish to shake

On the other hand, he gave Jean Genet his first hearing as a playwright, directing "The Maids," a lurid melodrama in which two servants plot to murder their mistress.

Jourvet's commitments multiplied to staggering proportions in the last months of his life. His doctors cautioned him, but he refused to curtail his activities. He acted *Tartuffe* at the Athénée by night and completed a second film version of "Knock" at the studios by day.

He took his company to New York in February for a six-week engagement in "L'Ecole des Femmes." On his return to France he began to prepare the staging of Sartre's magnum opus, "Le Diable et le Bon Dieu," a demanding task as it had a cast of 60 and Sartre kept inserting new scenes. It opened at the Théâtre Antoine with much fanfare in June.

Exhausted and under strain Jouvett retired to the Athénée to turn to a dramatization of Graham Greene's novel "The Power and the Glory." Jouvett, a perfectionist, found the first adaptation flabby and awkward and set to re-writing it with three others. Content

After a long session with his actors one afternoon he collapsed and fell into a coma. He was carried to a divan in his office and died there on Aug. 16, an end that has been compared to that of Molière, to whose work Juvet had rendered such noble service.



### Louis Jouvet: An accent on text and acting

## LANGUAGE

## *The New, Improved Ads*

By Patricia Volk

ONE word in advertising has virtually limitless power. It gives "permission to believe." It

What "new" lacks in newness, it makes up for in motivation. Unfortunately, new gets old fast. Legally, it's usable for only six months after a product is introduced. As in, say, "Introducing New Grippies. The candy that sticks to the woof of your mouf."

Once Grippies are 6 months old, unlike new babies, who get their milk from the New Testament which has gotten away with it for who knows how long, Grippies are reduced to drinking plain Grippies. That's when you improve them and say "Introducing New Improved Grippies."

Had you named your product "New" to start with, as in "New Soap," the soap that cleans like you want, you'd never have to worry about your product sounding old. Introduced as "New Soap," after six months down the road it segues into "New Improved New Soap." Or you could avoid the six-month thinking entirely and just call it "The

How do you get the Grippies account in the first place? You "pitch" it in a flurry of work called a "push." A creative team works weekends and sleeps in the office. A successful pitch winds up in a "win," and you've "landed" the account. By the end of the week, everyone in the agency has a free box of Grippies and work begins. This is the "honeymoon period."

You take the factory tour. You eat Grippies and you attend "focus groups," i.e., meetings between researchers and members of your "target audience," the people you hope will love Grippies.

You sit behind a two-way mirror and watch people eat Grippies. You take notes. You start hating the man who scratches the exposed area of his leg between the top of his sock and the bottom of his pants. And what you learn in the focus group, you use to build "share," which is the percentage of the population using your kind of product that buys yours in particu-

If you can raise Forever Glue's .01 share of market (one person per thousand) to .03, Forever Glue will be a dazzling success. So you do the "Nothing lasts like Forever" campaign.

paign. You find a small town in a depressed area upstate and glue it back together. Brick by brick, clapboard by clapboard, you actually (favorite ad word) glue a town together and restore it in a classic "as was, is, and ever shall be" hero."

Some folks with "product" are more "paralytic," a "me-too-er" who it has to be a "unique selling point" or "exclusivity." What if the world is not waiting for Mega-Bran, the cereal that tastes like Styrofoam pellets and gets soggy in the bowl?

Some folks "make it sing." It's what everybody thinks people in advertising do anyway, as in, "Oh, you're in advertising! You must write jingles!" So you write new jingles to Bon Jovi's "Never Say Goodbye," only the client doesn't want to spend \$2 million for the rights. So you check out the E.D.s, public domain songs, songs with lapsed copyrights that are at least 75 years old.

At last the new Mega-Brat campaign is ready to crawl through all the "loops" in the "approval cycle," from your client's kids to the network's lawyers. Everybody "signs off" on it.

In "pretest," you get "rich variations" — a lot of people who remember everything about your commercial. You go for it. You shoot a finished "spot." You spend \$250,000 on production, "net net," and \$3 million on network and uh-oh, nobody buys the brand. Your commercial has failed to generate "trial" and "brand awareness." It's the End of Brans.

Quick, you do another "execution," a celebrity endorsement using someone with a high "Q" (familiarity and popularity) score. (Bill Cosby has the highest.) You try "image advertising," which says almost nothing, but leaves the viewer feeling good about your product.

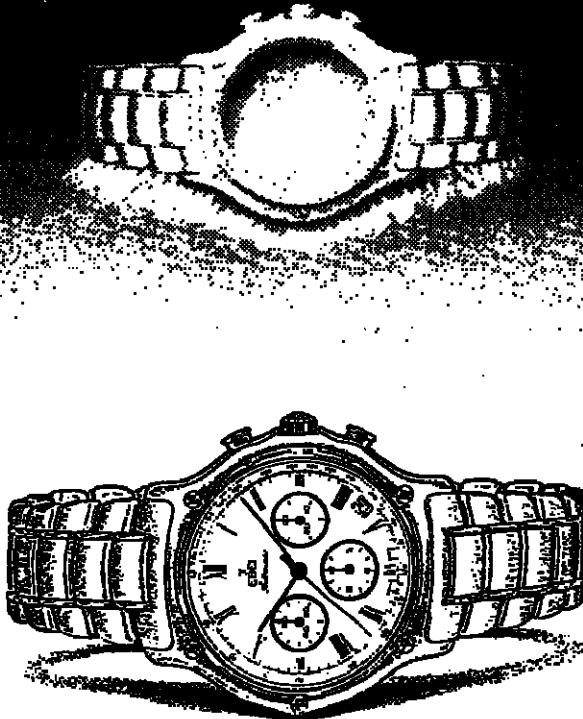
Still, no one remembers Megabran. The account goes from shaky to the intensive care unit. Then it's "out the door." There is no funeral, no period of mourning because every loss presents an opportunity, a chance to roll up your sleeves, grease up your elbow and pitch again.

Patricia Volk, an advertising copywriter, is the author of the forthcoming novel "White Light." She wrote this language column for The New York Times.

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